

Company code: 601615

Company abbreviation: MYSE

# **Ming Yang Smart Energy Group Limited**

## **2025 Annual Report**

## Important Notice

**I. The Company's Board, directors, and senior officers warrant that this Annual Report is true, accurate and complete, with no false records, misleading statements or material omissions, and they shall bear individual and joint legal liabilities accordingly.**

**II. All directors of the Company attended the Board meeting.**

**III. Ernst & Young Hua Ming LLP (Special General Partnership) has issued a standard unqualified audit report on the Company.**

**IV. The Principal of the Company Chuanwei Zhang, the Chief Financial Officer Meng Fang, and the Chief Accountant (the accounting manager) Feng Zhang state that they warrant the truthfulness, accuracy and completeness of the financial report contained in this Annual Report.**

**V. Proposal for profit distribution or conversion of capital reserve to share capital for this reporting period, as deliberated and approved by the Board**

As of December 31, 2025, according to the parent company's financial statements, the undistributed profit at the end of the period was RMB 4,870,457,521.64. As resolved by the Board, the Company plans to distribute profits for 2025 based on the total share capital registered on the record date for the equity distribution, after deducting the shares in the Company's repurchase account. The profit distribution plan is as follows:

The Company plans to distribute a cash dividend of RMB 0.185 (tax inclusive) per share to all shareholders. As of April 27, 2026 (the deliberation date of the Board meeting), the Company's total share capital is 2,261,496,706 shares. After deducting the 101,329,984 shares in the Company's repurchase account, the number of shares eligible for this profit distribution is 2,160,166,722 shares. Based on this, the total proposed cash dividend is RMB 399,630,843.57 (tax inclusive). During the current year, the amount of share repurchases implemented through centralized bidding with cash consideration was RMB 0. The total amount of cash dividends and repurchases was RMB 399,630,843.57 (tax inclusive), accounting for 60.56% of the net profit attributable to shareholders of the Listed Company for the current year. Specifically, the amount of share repurchases for cancellation through centralized bidding with cash consideration (hereinafter referred to as "repurchase and cancellation") is RMB 111,341,812.18. The total amount of cash dividends, repurchase and cancellation is RMB 510,972,655.75 (tax inclusive), accounting for 77.43% of the net profit attributable to shareholders of the Listed Company for this year.

There will be no bonus issue or conversion of capital reserve to share capital this year.

If, during the period from the disclosure date of this Report to the record date for the equity distribution, the Company's total share capital changes due to factors such as convertible bond conversion, share repurchase, repurchase and cancellation of shares issued under equity incentive plans, or repurchase and cancellation of shares in connection with major asset restructuring, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly. The Company will announce the specific adjustments separately.

This profit distribution plan is still subject to deliberation at the 2025 Annual Shareholders' Meeting.

**As of the end of the reporting period, the relevant situation of unrecovered losses of the parent company and its impact on the Company's dividend distribution and other matters**

Applicable N/A

**VI. Risk statement on forward-looking statements**

√Applicable N/A

This Report includes forward-looking statements such as forecasts for the future of the industry, the Company's development strategy, and business objectives. These do not represent the Company's profit forecasts, nor do they constitute a substantial commitment to investors. Investors are kindly reminded to be aware of investment risks.

**VII. Whether there is any non-operating fund occupation by the controlling shareholder and other related parties**

No

**VIII. Whether there is any provision of external guarantees in violation of prescribed decision-making procedures**

No

**IX. Whether more than half of the directors are unable to guarantee the truthfulness, accuracy, or completeness of the annual report disclosed by the Company**

No

**X. Material risks**

The risks that the Company may face are described in detail in "Section III Management discussion and analysis" of this Report. Investors are kindly requested to pay attention to the relevant content.

**XI. Others**

√Applicable N/A

Responsibility Statement

For the purposes of the United Kingdom's Financial Conduct Authority's Disclosure Guidance and Transparency Rule 4.1.12(3), each Director of the Company named in the section "Information on directors and senior officers" of this report, to the best of his or her knowledge, confirms that

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the annual report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

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List of documents for inspection	The financial statements bearing the signatures and seals of the legal representative, the Chief Financial Officer, and the Chief Accountant.
	The original audit report bearing the seal of the accounting firm and the signatures and seals of the certified public accountants.
	The originals of all corporate documents and announcements publicly disclosed by the Company in the newspapers designated by the CSRC during the reporting period.

## Section I Definitions

### I. Definitions

In this Report, unless the context otherwise requires, the following terms shall have the following meanings:

Definitions of frequently used terms	
MYSE, Company, the Group, the Company	Ming Yang Smart Energy Group Limited, formerly known as Guangdong Mingyang Wind Power Industry Group Co., Ltd. and Guangdong Mingyang Wind Power Technology Co., Ltd.
China Ming Yang	China Ming Yang Wind Power Group Limited, formerly known as China Wind Power Equipment Group Limited
Actual Controller(s)	Chuanwei Zhang, Ling Wu, and Rui Zhang
Energy Investment Group	Mingyang New Energy Investment Holding Group Co., Ltd., the controlling shareholder of the Company
Zhongshan Ruixin	Zhongshan Ruixin Enterprise Management Consulting Partnership (Limited Partnership), a related shareholder of the Company
Hainan Boyun	Hainan Boyun Investment Partnership (Limited Partnership), formerly Ningbo Boyun Tiancheng Venture Capital Partnership (Limited Partnership), Xiamen Bohui Yuncheng Investment Partnership (Limited Partnership), Gongqingcheng Boyun Investment Partnership (Limited Partnership), and Zhongshan Bochuang Enterprise Management Consulting Partnership (Limited Partnership), a related shareholder of the Company
Beihai Ruiyue	Beihai Ruiyue Venture Capital Co., Ltd., formerly Zhongshan Ruiyue Industrial Investment Co., Ltd., a related shareholder of the Company
Keycorp	Keycorp Limited, a related shareholder of the Company
First Base	First Base Investments Limited, a related shareholder of the Company
Wiser Tyson	Wiser Tyson Investment Corp Limited, a related shareholder of the Company
Wind power generation	The process of using wind to drive the rotation of wind turbine blades, which in turn drives a generator through a transmission system to convert wind energy into electrical energy
Wind farm	A power station composed of a group or cluster of wind turbine generators
Wind turbine generator, WTGS, WTG, wind turbine	A device that converts the kinetic energy of wind into electrical energy, generally consisting of blades, a hub, a gearbox, a generator, a nacelle, a tower, a control system, a converter, etc.
Grid-connected installed capacity	The installed capacity of wind turbines that have been installed, commissioned, and connected to the grid for power generation

Newly installed capacity	The newly added installed capacity of wind turbines that have been installed, regardless of whether they are ready for grid-connected power generation
MySE	The Mingyang Super Energy series of three-blade wind turbines developed based on SCD technology, wind turbine generators designed by the Company for wind farms with complex natural environmental characteristics such as low wind speeds, mountainous terrain, and offshore locations, featuring high efficiency, high reliability, small size, light weight, and ease of transportation and hoisting
MW and GW	Units of electrical power, with the specific conversion being 1 GW = 1,000 MW
MWp、 MWP	MWp is the unit for the designed installed capacity
EPC	Engineering Procurement Construction
Green electricity	Electrical energy with near-zero or zero carbon dioxide emissions during its production process, such as wind power, photovoltaic power, and geothermal power generation
GDR	Global Depositary Receipts

## Section II Company profile and key financial indicators

### I. Company information

Chinese name of the Company	Ming Yang Smart Energy Group Limited
Chinese abbreviation of the Company	明阳智能
English name of the Company	Ming Yang Smart Energy Group Limited
English abbreviation of the Company	MYSE
Legal representative of the Company	Chuanwei Zhang

### II. Contacts and contact information

	The Board Secretary	Securities affairs representative
Name	Chengkui Wang	Jieshan Zheng
Contact address	No. 22 Huoju Road, Torch Development Zone, Zhongshan City, Guangdong Province	No. 22 Huoju Road, Torch Development Zone, Zhongshan City, Guangdong Province
Tel	(0760) 28138459	(0760) 28138459
Fax	(0760) 28138974	(0760) 28138974
E-mail	wangchengkui@mywind.com.cn	jessicazheng@mywind.com.cn

### III. Basic information

Registered address of the Company	No. 22 Huoju Road, Torch Development Zone, Zhongshan City, Guangdong Province
Historical changes of the Company's registered address	N/A
Office address of the Company	No. 22 Huoju Road, Torch Development Zone, Zhongshan City, Guangdong Province
Postal code of the Company's office address	528400
Website of the Company	<a href="https://www.myse.com.cn/">https://www.myse.com.cn/</a>
E-mail	myse@mywind.com.cn

### IV. Information disclosure and location for annual report availability

Names and websites of media for the Company's annual report disclosure	China Securities Journal ( <a href="http://www.cs.com.cn">www.cs.com.cn</a> ) Shanghai Securities News ( <a href="http://www.cnstock.com">www.cnstock.com</a> ) Securities Times ( <a href="http://www.stcn.com">www.stcn.com</a> ) Securities Daily ( <a href="http://www.zqrb.cn">www.zqrb.cn</a> )
Website of the stock exchange where the Company discloses its annual reports	<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a>
Location where the Company's annual report is available for inspection	Board Office, No. 22 Huoju Road, Torch Development Zone, Zhongshan City, Guangdong Province

**V. General information about the Company's stock**

General information about the Company's stock				
Type of share	Stock exchange where the stock is listed	Stock abbreviation	Stock code	Stock abbreviation before change
A-share	Shanghai Stock Exchange	MYSE	601615	None
GDR	London Stock Exchange	MING YANG SMART ENERGY GROUP LIMITED	MYSE	None

**VI. Other relevant information**

Accounting firm engaged by the Company (domestic)	Name	Ernst & Young Hua Ming LLP (Special General Partnership)
	Office address	Room 01-12, 17th Floor, Ernst & Young Building, Oriental Plaza, No. 1 East Chang'an Street, Dongcheng District, Beijing
	Names of the signing CPAs	Boyuan Wen, Yucheng Huang
Sponsor institution performing continuous supervision duties during the reporting period	Name	CITIC Securities Company Limited
	Office address	North Tower, Times Square Excellence (Phase II), No. 8 Zhongxin 3rd Road, Futian District, Shenzhen, Guangdong Province
	Names of the signing sponsor representatives	Lei Qin, Liqiang Peng
	Period of continuous supervision	See Note

Note: the continuous supervision period for the Company's 2020 non-public offering of shares ended on December 31, 2021, and the continuous supervision period for the 2022 non-public offering of shares ended on December 31, 2023. As the proceeds from the Company's 2020 non-public offering of shares have not been fully utilized, CITIC Securities Company Limited continues to perform its continuous supervision obligations regarding the use of the proceeds.

## VII. Key accounting data and financial indicators for the last three years

### (I) Key accounting data

Unit: RMB Currency: RMB

Key accounting data	2025	2024	Increase/decrease for the current period compared to the same period of the previous year (%)	2023	
				Adjusted	Unadjusted
Operating revenue	38,094,969,264.43	27,158,316,717.94	40.27	28,123,843,438.14	27,859,076,459.80
Total profit	636,368,238.53	414,831,599.80	53.40	362,477,760.17	354,653,481.20
Net profit attributable to shareholders of the listed company	659,873,732.73	346,114,493.48	90.65	376,722,128.30	372,451,216.45
Net profit attributable to shareholders of the Listed Company after deducting non-recurring profit or loss	487,946,939.49	175,406,114.24	178.18	204,546,989.70	205,768,750.28
Net cash flows from operating activities	-5,538,072,069.59	-2,403,166,821.84	N/A	-2,590,267,971.93	-2,591,549,270.70
	End of 2025	End of 2024	Increase/decrease at the end of the current period compared to the end of the same period of the previous year (%)	End of 2023	
				Adjusted	Unadjusted
Net assets attributable to shareholders of the Listed Company	26,317,003,412.97	26,237,473,763.09	0.30	27,533,641,651.71	27,422,713,697.82
Total assets	96,853,624,816.70	86,794,501,247.32	11.59	84,246,306,841.71	83,861,255,864.75

**(II) Key financial indicators**

Key financial indicators	2025	2024	Increase/decrease for the current period compared to the same period of the previous year (%)	2023	
				Adjusted	Unadjusted
Basic earnings per share (RMB/share)	0.31	0.15	106.67	0.17	0.16
Diluted earnings per share (RMB/share)	0.31	0.15	106.67	0.17	0.16
Basic earnings per share after deducting non-recurring profit or loss (RMB/share)	0.23	0.08	187.50	0.09	0.09
Weighted average rate of return on net assets (%)	2.49	1.31	Increase of 1.18 percentage points	1.34	1.33
Weighted average return on net assets after deducting non-recurring profit or loss (%)	1.84	0.66	Increase of 1.18 percentage points	0.73	0.74

Explanation of the Company's key accounting data and financial indicators for the previous three years at the end of the reporting period

Applicable  $\sqrt{N/A}$

**VIII. Differences in accounting data under domestic and foreign accounting standards****(I) Differences in net profit and net assets attributable to shareholders of the Listed Company in the financial reports disclosed in accordance with both International Accounting Standards and Chinese Accounting Standards**

Applicable  $\sqrt{N/A}$

**(II) Differences in net profit and net assets attributable to shareholders of the Listed Company in the financial reports disclosed in accordance with both overseas accounting standards and Chinese Accounting Standards**

Applicable  $\sqrt{N/A}$

**(III) Explanation of differences between domestic and overseas accounting standards:**

Applicable  $\sqrt{N/A}$

**IX. Key financial data by quarter for 2025**

Unit: RMB Currency: RMB

Item	Q1 (January-March)	Q2 (April-June)	Q3 (July-September)	Q4 (October-December)
Operating revenue	7,703,617,576.77	9,439,155,196.06	9,160,920,131.66	11,791,276,359.94
Net profit attributable to shareholders of the listed company	302,060,615.88	307,866,467.57	155,829,868.51	-105,883,219.23
Net profit attributable to shareholders of the listed company after deducting non-recurring profit or loss	286,783,375.53	198,565,195.71	95,261,837.01	-92,663,468.76
Net cash flows from operating activities	-2,178,322,594.43	-1,325,084,086.34	-1,422,581,241.67	-612,084,147.15

Explanation of discrepancies between quarterly data and data in disclosed periodic reports

Applicable N/A**X. Non-recurring profit or loss items and amounts**Applicable N/A

Unit: RMB Currency: RMB

Non-recurring profit or loss items	Amount for 2025	Notes (if applicable)	Amount for 2024	Amount for 2023
Profit or loss from disposal of non-current assets (including the part offset with the provision for impairment of assets)	-5,000,677.13		-42,986,756.60	-52,058,298.00
Government subsidies (except for the grants which are closely related to the Company's business and have the standard amount and continuing impact on the Company's profit or loss in accordance with the national standard) attributable to profit or loss for the period	112,427,557.30		108,136,587.87	72,210,291.13
Profit or loss from changes in fair value arising from held-for-trading financial assets by non-financial enterprises and financial liabilities, and profit or loss arising from disposal of held-for-trading financial assets and financial liabilities other than effective hedging business related to the Company's normal business operations	121,063,685.11		-15,418,499.27	-21,921,165.37
Fund possession fee received from non-financial enterprises attributable to profit or loss for the period				
Profit or loss from entrusting others to invest or manage assets	55,339,335.09		172,750,440.54	190,413,258.46
Profit or loss from external entrusted loans				

Asset impairment provisions due to force majeure factors such as natural disasters				
Reversal of provision made for impairment of receivables that are individually tested for impairment	1,237,781.97		31,295,190.41	17,750,641.93
Gains when the investment cost of acquiring a subsidiary, an associate and a joint venture is less than the fair value of the identifiable net assets of the invested entity				
The current net profit or loss of subsidiary resulting from combination under common control from the beginning of the period to consolidation date				
Profit or loss from exchange of non-monetary assets				
Profits or losses from debt restructuring	-		-	-15,776,059.84
One-off expenses arising from discontinued continuing activities of the company such as staff settlement expenses				
Impact on the current profit or loss by one-off adjustment according to laws and regulations related to tax and accounting				
Share payment expenses recognized due to cancelling and amending share option incentive scheme				
Profit or loss arising from the changes in fair value of employee compensation payable in respect of shares payment in cash after the vesting date				
Profit or loss from changes in fair value of investment properties subsequently measured in the fair value mode				
Gains from transactions with significantly unfair transaction prices				
Profit or loss arising from contingencies irrelevant to the Company's normal business operations				
Custody fee income from entrusted operations				
Other non-operating revenue and expenses other than the above	-76,575,172.48		-6,282,558.76	20,164,968.91
Other profit or loss items that meet the definition of non-recurring profit or loss				
Less: Effect of income tax	36,682,622.44		47,877,387.66	38,456,343.83
Effect of minority interests (after tax)	-116,905.82		28,908,637.29	152,154.79
Total	171,926,793.24	-	170,708,379.24	172,175,138.60

Explanation on defining items that are not illustrated in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the

Public No. 1 – Non-recurring Profit or Loss as non-recurring profit or loss items with significant amounts, and defining the non-recurring profit or loss items listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 – Non-recurring Profit or Loss as recurring profit or loss items.

Applicable N/A

#### XI. Company with equity incentives or ESOPs may choose to disclose net profit after deducting the impact of share-based payments

Applicable N/A

Unit: RMB Currency: RMB

Key accounting data	2025	2024	Increase/decrease for the current period compared to the same period of the previous year (%)	2023	
				Adjusted	Unadjusted
Net profit after deducting the impact of share-based payments	712,051,089.34	378,592,265.07	88.07	407,722,853.55	400,942,315.21

#### XII. Items measured at fair value

Applicable N/A

Unit: RMB Currency: RMB

Name of project	Opening balance	Closing balance	Change during the period	Amount of impact on profit for the period
Financial assets held for trading	1,182,821.44	1,353,210,184.11	1,352,027,362.67	72,706,097.91
Receivables financing	964,286,203.65	955,117,792.00	-9,168,411.65	
Other equity instrument investments	131,963,004.53	82,904,416.77	-49,058,587.76	3,348,171.56
Other non-current financial assets	615,540,590.66	501,095,378.15	-114,445,212.51	104,347,663.92
Total	1,712,972,620.28	2,892,327,771.03	1,179,355,150.75	180,401,933.39

#### XIII. Others

Applicable N/A

## Section III Management discussion and analysis

### I. Business operations of the Company during the reporting period

Against the backdrop of the deepening global energy transition, renewable energy, as a key force on the energy supply side for achieving low-carbon goals, has attracted extensive attention from all stakeholders. In 2025, driven by multiple factors such as the external environment and industrial technology breakthroughs, the global renewable energy industry continued its rapid and steady development, with newly installed wind power capacity reaching a new high. Meanwhile, guided by the national goals of high-quality development, carbon peaking and carbon neutrality, China's renewable energy development reached a new level.

During the reporting period, MYSE adhered to its corporate mission of "innovating clean energy to benefit human society" and its vision of "becoming a global leader in intelligent and inclusive clean energy," committing to becoming a provider of value chain management and system solutions for the entire lifecycle of clean energy. The Company is driven by both technological innovation and business model innovation, and has now developed into a leading smart energy enterprise group in China with significant global influence. The Company maintained its strategic focus on independent innovation in high-end equipment, firmly implemented the integrated strategic layout of "wind, solar, storage, hydrogen, and gas," steadily advanced the rolling development model of new energy power stations, and continued to deepen its "Offshore + Overseas Strategy", achieving good operating results.

#### (I) Wind turbine generator manufacturing business

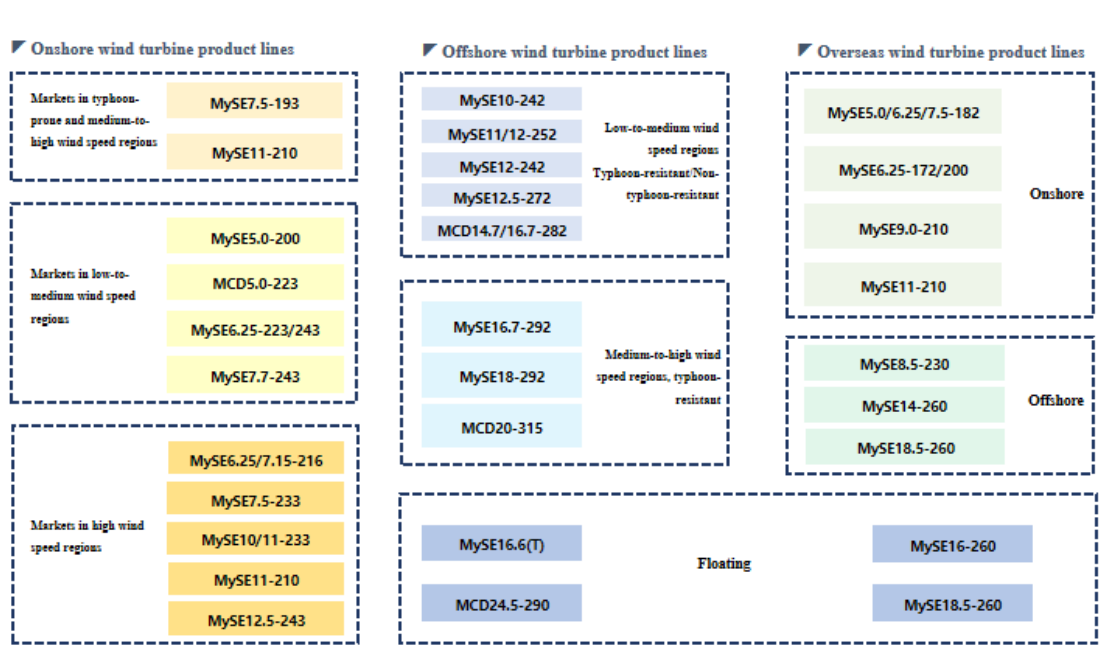
MYSE's wind turbine generator manufacturing segment covers the R&D, production, and sales of large-scale wind turbine generators and their core components. The Company developed onshore and offshore wind turbines adapted to different climatic conditions for various application scenarios such as low temperatures, sandstorms, typhoons, salt spray, and high altitudes, forming a multi-product layout that "covers the present and looks to the future." The Company adheres to independent innovation in core technologies and has built a wind power industrial cluster covering the manufacturing of WTGS and core components such as blades, gearboxes, inverter systems, control systems, booster systems, and flexible DC output systems. Leveraging the advantages of full industrial chain integration and full lifecycle management, the Company is committed to creating intelligent equipment that combines customized design with high reliability, aiming to become a world-class provider of new energy equipment and integrated solutions.

In the offshore wind power sector, the Company's offshore series turbines were custom-designed for different sea areas in China. They were independently developed ultra-large typhoon-resistant offshore wind turbines and won international awards such as "World's Best Offshore Wind Turbine," "World's Best Blade," and "World's Best Drivetrain" for several consecutive years. The Company has innovatively proposed the concept of floating wind turbines, from the world's first MySE5.5MW anti-typhoon floating wind turbine, to the MySE7.25MW deep-sea floating wind turbine that achieved the "dual-hundred" breakthrough of 100 kilometers offshore and 100 meters water depth, then to the "Mingyang Tiancheng",

a unique floating platform with the world's largest single-unit capacity of 16.6MW, as well as the new-generation MCD technology and scenario-based benchmark models and the world's first 50MW-class "Ocean X Tiancheng Platform" launched under the "New Leadership Program", continuously pushing the boundaries of offshore wind power technology.

In the onshore wind power sector, the Company followed the "two highs and one low" principle of "high efficiency, high reliability, and low levelized cost of electricity." The onshore turbines it developed were widely used in China's Three North regions (North China, Northeast China and Northwest China), deserts, Gobi and barren lands, central-southern and eastern regions, southeastern Guizhou region, southeast coastal typhoon-prone regions, and the Sichuan-Xizang plateau region. The turbines can be custom-matched for different wind resource characteristics and geological conditions, achieving efficient power output throughout their entire lifecycle in harsh environments, and are suitable for all scenarios. The Company's different series of wind turbines are equipped with a variety of rotor diameters to adapt to wind conditions in different regions. Based on the same rotor diameter, it launched different series of turbine units adapted to various application scenarios.

**Figure: WTGS product lines of MYSE**



**(II) Electricity generation and sales business of new energy power stations**

In the operation of new energy power stations, the Company has established a big data platform for intelligent management of new energy power stations to monitor and analyze their operational data in real time. Leveraging cutting-edge technologies such as the Internet of Things, cloud storage, and big data analysis, it has focused on creating systems for remote monitoring, online condition monitoring, remote fault diagnosis and repair, wind/solar power forecasting, and video surveillance, achieving transparent management throughout the entire operation process of new energy power stations. In addition, the Company has established a core team for a complete post-market service value chain, covering high-end service sectors such as basic scheduled inspections, operation and maintenance, and optimization of new

energy power stations. While ensuring the operation of new energy power stations, the Company aims to increase its power generation revenue from these stations by boosting their electricity output.

In the electricity sales business, the Company earns profits by conducting proxy electricity purchase business and demand-side response management services. In the proxy electricity purchase business, the Company participates in centralized bidding or bilateral negotiation for electricity purchase through the power trading platform, signs agreements with power users on electricity prices and profit sharing based on price differentials to obtain income from dynamic electricity price differentials, and hedges market risks through methods such as medium- and long-term contracts and spot trading management. Demand-side response management services are typically applicable to users with flexible loads, providing functional services such as peak regulation, frequency regulation, and backup power supply for the system through user-side response in the ancillary services market.

### **(III) Sales of products from new energy power stations**

In the new energy power station segment, the Company adheres to an asset-light operational philosophy of "rolling development," with a primary business model of "developing a batch, constructing a batch, and transferring a batch." Relying on the "rolling development" model for new energy power stations, the Company has realized multiple values, including "wind resource premium," "wind power product sales," and "EPC value."

### **(IV) Other businesses**

In addition to the primary businesses mentioned above, the Company has expanded into specialized, refined, differential, and innovative fields of new energy, including the photovoltaic industry, power electronics and energy storage industry, hydrogen energy industry, and smart energy and digital energy industry.

In the photovoltaic field, the Company optimized and adjusted related operations, deeply integrated cadmium telluride and heterojunction technologies, and accelerated the industrialization of perovskite and tandem cells. In the power electronics and energy storage field, the Company focused on wind power electronic control and energy storage system businesses, effectively integrating its resources to build a new energy system in line with national strategic directions. In the hydrogen energy field, the Company focused on the R&D and manufacturing of high-end PEM and seawater hydrogen production equipment. Guided by the market and leveraging its internal green hydrogen demonstration project as an opportunity, the Company provided the market with high-end, cost-effective, and continuously competitive products and solutions. During the reporting period, the Company successfully produced its first kilogram of hydrogen from offshore wind power in Lingao, Hainan, and its ion-membrane flexible hydrogen production system overcame the core technical challenge of "new energy output fluctuation versus hydrogen production system response." In the hydrogen energy storage field, the Company's independently developed 30 MW-class pure hydrogen gas turbine, the "Jupiter-1" unit, achieved pure hydrogen power generation and maintained stable operation. In the smart energy and digital energy field, the Company focuses on integrated solutions for "wind, solar, storage, hydrogen, and gas" to create higher

added value for overall new energy solutions, including the development of asset custody and full life-cycle O&M services.

Explanation of significant new non-primary business of the Company during the reporting period

Applicable N/A

## II. Industry landscape in which the Company operates during the reporting period

### (I) Industry development

#### 1. The renewable energy industry boomed, and the wind power industry saw strong demand

Under the guidance of the national "dual carbon" goals, the construction of a new energy system with renewable energy as the mainstay was accelerating. In 2025, China's green and low-carbon energy transformation achieved a historic breakthrough: according to statistics from the National Energy Administration, the newly installed capacity of wind and solar power exceeded 430 million kW for the year, with the cumulative installed capacity accounting for nearly half, surpassing thermal power for the first time. Specifically, newly installed wind power capacity reached 120 million kW, a year-on-year increase of 51%, including 110 million kW of newly installed onshore wind power capacity and 6.59 million kW of newly installed offshore wind power capacity. By the end of 2025, the cumulative installed wind power capacity nationwide reached approximately 640 million kW, a year-on-year increase of 22.9%, with onshore and offshore capacity reaching 590 million kW and 47 million kW, respectively. Throughout the year, wind power generation reached 1.13 trillion kWh, a year-on-year increase of 13%, with an average utilization rate of 94%. Meanwhile, the scale of bidding in the domestic wind power market remained at a high level in 2025. Looking ahead to the "15th Five-Year Plan" period, the wind power industry is expected to enter a cycle of higher prosperity, catalyzed by the deepening development of the new energy system, growing demand for green electricity, and accelerated development in deep-sea areas.

#### 2. The "race-to-the-bottom" competition trend in the wind power industry eased, and bid prices in the industry stabilized and rebounded

After several years of intense price competition, the trend of low-price competition significantly slowed down, driven by factors such as policy guidance and internal self-discipline. The Chinese wind power industry reached a structural turning point, with bid prices in the industry stabilizing and rebounding as the industry gradually shifted from a "price war" to "value competition". According to statistics from the Chinese Renewable Energy Society, the average bid price for wind turbines in 2025 showed a significant rebound compared to the same period last year. This effectively eased pressure on the industrial chain, and the wind power industry's efforts to counter "race-to-the-bottom" competition achieved initial success. Driven by both policy and market demand, the industry's profitability is expected to see continuous improvement.

#### 3. Offshore wind power developed at an accelerated pace and expanded into deep-sea areas, with floating technology emerging as a key development direction

In 2025, China's offshore wind power entered a period of accelerated development, with deep-sea areas becoming the core track for industry growth. As the development of nearshore wind resources neared

saturation, the industry's focus accelerated its shift from nearshore areas within 30 kilometers offshore to deep-sea areas more than 50 kilometers offshore. According to statistics from Principle Power, over 80% of the world's offshore wind energy resources were located in sea areas with water depths exceeding 40 meters, and China's developable deep-sea wind energy was about 3 to 4 times that of its nearshore areas, indicating vast development prospects.

The large-scale development of deep-sea wind power depends on breakthroughs in floating foundation technology. Compared to traditional fixed-bottom wind turbines, floating wind power is suitable for a wider range of water depths and allows for more flexible turbine placement, which can significantly improve wind energy utilization efficiency. In recent years, domestic floating wind power projects have been accelerating their implementation, with the commercialization process advancing steadily. The Company's independently developed 16.6 MW "Mingyang Tiancheng" floating wind power platform was successfully put into operation, employing several world-first technologies. During the reporting period, the Company launched the world's first 50 MW-class ultra-large floating wind turbine, continuing to lead the technological frontier of the industry. Meanwhile, China's offshore wind power industry chain made continuous breakthroughs in key technologies for deep-sea applications, with the localization level of core components steadily increasing. Driven by both policy and technology, floating wind power was transitioning from demonstration and verification to commercial promotion. In the future, with the trend of larger wind turbines, the large-scale application of new materials, and cost reduction through industrial chain collaboration, floating wind power is expected to further reduce the levelized cost of electricity, becoming a core solution for deep-sea wind power development and a strategic industry for the energy transition in coastal regions.

#### **4. The overseas market boasted huge potential, and Chinese wind power enterprises actively expanded globally to seek profit growth points**

During the reporting period, the global wind power market maintained a strong growth momentum. According to the Global Wind Report 2025 released by the Global Wind Energy Council (GWEC), the global installed wind power capacity was projected to increase by 981 GW by 2030, with a compound annual growth rate of approximately 8.8%. Major energy-consuming regions, represented by developed countries in Europe and America, successively introduced new energy development plans. While expanding the scale of power station construction, they were also promoting accelerated approval processes and providing varying degrees of subsidies or financial support, bringing new growth opportunities to the wind energy industry and also placing higher demands on equipment technology, supply chain resilience, and international service capabilities.

Against this backdrop, Chinese wind power companies actively implemented internationalization strategies, accelerating their global expansion through diversified paths such as building overseas factories and jointly developing projects. In 2025, China's wind power equipment achieved leapfrog growth in its "going global" efforts, making China a major contributor to global energy transition. Data from the General Administration of Customs showed that the export volume of wind turbine generators increased by 48.7% year-on-year for the full year, with exports to the European Union growing by 65.9% and to

countries along the Belt and Road by 73.9%. According to statistics from the Chinese Wind Energy Association (CWEA) of the Chinese Renewable Energy Society, the total export capacity in 2025 exceeded 7.73 million kW, a year-on-year increase of 48.9%, with products covering 28 countries worldwide. Leading domestic WTGS manufacturers accelerated their capability building in localized manufacturing, localized services, and full life-cycle solutions, upgrading from exporting single units to providing system solutions. The prices and profitability of overseas orders were generally better than those in the domestic market. Relying on a complete industrial chain, rapid technological iteration, and significant cost advantages, China's wind power industry established a globally leading comprehensive competitiveness, and was deeply involved in and vigorously promoting the global energy transition process.

#### **5. Diversified expansion of green electricity application scenarios fostered new demands such as "power-hydrogen-ammonia-methanol" and "integration of computing and electricity"**

The application scenarios on the demand side of green electricity accelerated their diversified expansion. The implementation of the direct green electricity connection policy accelerated projects such as data centers, chip manufacturing, pharmaceuticals, and zero-carbon industrial parks. The expanded scope of green certificate utilization provided strong support for non-power applications such as green electricity-based hydrogen, ammonia and methanol production. The green hydrogen, ammonia and methanol industry stepped into a fast-growth track driven by both policy and market forces. The "China Green Hydrogen, Ammonia, and Methanol Industry Development Report 2025" predicted that during the "15th Five-Year Plan" period, the demand for green hydrogen would reach 2.4-4.3 million tons per year. The Methanol Institute and IRENA predicted that global methanol demand would reach 500 million tons by 2050, with green methanol exceeding 300 million tons; by 2029, the global green methanol production capacity might reach 20 million tons per year. The demand for green hydrogen, ammonia, and methanol is expected to bring new growth drivers for green electricity development and effectively improve the utilization rate of new energy.

The integration of computing power and green electricity was elevated to the level of national strategy. In early 2026, the State-owned Assets Supervision and Administration Commission of the State Council deployed the "AI+" action for central enterprises, explicitly promoting the synergy of computing and electricity. Data from the Ministry of Industry and Information Technology showed that as of June 2025, the total scale of in-use computing center racks in China reached 10.85 million standard racks, with the total computing power scale ranking second globally. The China Academy of Information and Communications Technology made multi-scenario forecasts for China's power demand from computing infrastructure. Based on the development trajectory of artificial intelligence technology, it constructed three differentiated development scenarios: high, medium, and low. In the high scenario, with the explosive growth of artificial intelligence, the electricity consumption of China's computing centers could exceed 700 billion kWh by 2030, accounting for 5.3% of the total electricity consumption of the whole society. The demand for computing power from AI large model training, the industrial internet, and other areas is growing exponentially, and the future electricity demand of data centers is huge. It is expected

that more data centers will directly sign green electricity procurement agreements with power generation enterprises. The integration of computing and electricity has opened up another major incremental market for the wind power industry.

Whether it is the large-scale production of green hydrogen, green ammonia, and green methanol, or the continuous high-energy operation of computing centers, the core driving force is inseparable from a large-scale, stable, and traceable supply of clean electricity. These scenarios no longer rely solely on the traditional power grid for integration, but instead form a complete closed-loop value chain of "green electricity - high-value-added products - zero-carbon certification" through models such as direct supply of green electricity and integrated source-grid-load-storage systems. This attribute not only significantly increases the local integration rate of renewable energy such as wind power and effectively alleviates wind curtailment and power restriction issues, but also creates space for diversified green premiums and business model innovations. ""With the in-depth implementation of the global carbon border adjustment mechanism and the domestic green electricity certificate system, the rigid demand for green electricity in the aforementioned scenarios will continue to be released, providing an unprecedented strategic opportunity for the wind power enterprises to leap from pure equipment manufacturers and power producers to integrated solution providers of "green electricity + products + services".

## **(II) Review of industry policies**

### **1. Comprehensive acceleration of green and low-carbon transformation, with energy equipment moving towards a high-quality development stage**

**The top-level design for green and low-carbon development was continuously strengthened:** in February 2025, the National Energy Administration issued the Guiding Opinions on Energy Work in 2025, which specified that the proportion of installed non-fossil energy power generation capacity would be increased to about 60%, and the proportion of non-fossil energy consumption would reach about 20%. It actively promoted the construction of the second and third batches of large-scale wind and photovoltaic power bases in deserts, Gobi and barren lands, as well as integrated hydro-wind-solar bases, scientifically planned the layout of large bases for the 15th Five-Year Plan, and actively promoted the development of offshore wind power. At the same time, it vigorously implemented renewable energy substitution in fields such as industry, transportation, construction, and data centers, supported the construction of zero-carbon industrial parks, and promoted the local integration of new energy. In August 2025, the General Office of the CPC Central Committee and the General Office of the State Council issued the Opinions on Promoting Green and Low-Carbon Transformation and Strengthening the Construction of the National Carbon Market, proposing that by 2027, the carbon market would basically cover major emitting industries in the industrial sector, and by 2030, a national carbon market based on total allowance control and a combination of free and paid allocation would be established, forming a complete carbon pricing mechanism. In November 2025, the white paper "Carbon Peaking and Carbon Neutrality - China's Plans and Solutions" was released, emphasizing that the green and low-carbon transformation of energy was key to achieving the "dual carbon" goals.

**Improving the quality and efficiency of energy equipment and cultivating new quality productive forces:** in September 2025, the National Energy Administration and other departments issued the Guiding Opinions on Promoting the High-Quality Development of Energy Equipment, which clearly proposed to improve the quality and efficiency of renewable energy equipment such as wind power equipment, make breakthroughs in key equipment like high-performance long-life offshore wind turbine blades, high-power gearboxes, ultra-high hybrid towers, and high-reliability low-cost floating foundations, carry out key technology research on high-performance wide-range operating wind turbines in complex and harsh environments, and enhance the operational reliability of units in complex scenarios such as deserts, Gobi and barren lands, and deep-sea areas. In November 2025, the National Energy Administration issued the Guiding Opinions on Promoting the Integrated and Converged Development of New Energy, which proposed to promote the synergistic development of wind, solar, hydrogen, and storage, support large-scale preparation of green hydrogen, ammonia, and methanol in the bases in deserts, Gobi and barren lands and hydro-wind-solar bases, deepen the rural energy revolution, integrate scattered rural wind power resources, and explore the construction of new integrated hydro-wind-solar bases.

**Promoting high-quality development empowered by new energy storage, artificial intelligence, and other technologies:** in August 2025, the National Development and Reform Commission and the National Energy Administration issued the Special Action Plan for the Large-Scale Construction of New Energy Storage (2025–2027), which required new energy bases in deserts, Gobi and barren lands to reasonably plan and construct new energy storage, build system-friendly new energy power stations, and innovate application models such as direct green electricity connection, virtual power plants, and source-grid-load-storage integration. In September 2025, the two departments issued the Implementation Opinions on Promoting the High-Quality Development of "AI+" Energy, accelerating the application of artificial intelligence in scenarios such as new energy power forecasting, electricity markets, smart operations, and power station O&M, creating an integrated model of "weather forecasting + power forecasting + smart trading + intelligent O&M" to support the stable supply of new energy.

## **2. Comprehensive deepening of market-based mechanisms and continuous advancement of new energy tariff reform**

**Fully market-based on-grid tariffs for new energy:** in January 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the Circular on Deepening the Market-oriented Reform of On-grid Tariffs for New Energy to Promote the High-Quality Development of New Energy (FGJG [2025] No. 136), which clarified that, in principle, all on-grid electricity from new energy sources such as wind and solar power would enter the electricity market, with tariffs formed through market transactions. This policy distinguished between existing and incremental projects: for existing projects put into operation before June 2025, the mechanism-based electricity price shall not be higher than the local benchmark price for coal-fired power; for incremental projects, the mechanism-based electricity price shall be determined through competitive bidding. At the same time, a price settlement mechanism for the sustainable development of new energy (differential settlement) would be established to stabilize the revenue expectations for incremental projects. This marks a major adjustment to the

guaranteed purchase framework that has been in place for many years, deeply binding the revenue model of wind power projects with the supply-demand relationship and price signals of the electricity market.

**Clear pricing mechanism for local integration established:** in September 2025, the National Development and Reform Commission and the National Energy Administration issued the Circular on Improving the Pricing Mechanism to Promote Local Integration of New Energy Power Generation, which designed clear pricing mechanisms, including grid fees and ancillary service fees, for local integration models such as distributed wind power and park-based green microgrids. The document required that the annual self-generated and self-consumed electricity from new energy sources should account for no less than 60% of their total generation and no less than 30% of the total electricity consumption (no less than 35% for new projects starting from 2030), and the power grid must provide grid connection and reliable power supply services as stipulated. This policy creates a predictable and sustainable business environment for the local integration model.

**Standardizing market bidding for centralized new energy:** in November 2025, the National Development and Reform Commission and the National Energy Administration issued the Circular on Optimizing Market Bidding for Centralized New Energy Power Generation Enterprises (for Trial Implementation) to regulate the operating order of the electricity market. It was specified that only new energy power generation enterprises belonging to the same group within the same province (autonomous region, or municipality) could participate in centralized bidding, while cross-group and cross-provincial centralized bidding were prohibited, and monopoly agreements were also forbidden. This move aims to establish a market bidding method that aligns with the characteristics of new energy generation and to improve the efficiency of power resource allocation.

### **3. Strengthening system integration and grid support to provide guarantees for high-proportion new energy development**

**Source-side enhancement and high-quality development of the power grid:** in 2025, the state successively issued the Guiding Opinions on Promoting the Integrated Development of New Energy and the Guiding Opinions on Promoting the High-Quality Development of the Power Grid. The former required new large-scale wind power bases, offshore wind power, and other projects to improve their regulation capabilities, and encourages integrated development models such as "new energy + energy storage" and multi-energy complementation of wind, solar, hydro, thermal, and storage to enhance the friendliness and controllability of power output from the source. The latter, as a programmatic document, explicitly proposed to accelerate the upgrading of modern power grid technologies such as flexible DC and intelligent power distribution, and to advance the construction of key inter-provincial and inter-regional transmission channels, thereby fundamentally enhancing the grid's capacity for resource allocation and accommodation of large-scale, highly volatile wind power.

**Category-based policies and integration assessment mechanism:** in October 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the Guiding Opinions on Promoting New Energy Integration and Regulation (FGNY [2025] No. 1360), with the core objective of building a new model for new energy development that is "system-resilient and market-

absorptive." This policy classified the development and integration of new energy into five categories: bases in deserts, Gobi and barren lands, offshore wind power, integrated hydro-wind-solar power, provincial centralized power, and distributed power, and implemented category-specific policies: coordinating external transmission and local integration, and establishing a national strategic responsibility system for both sending and receiving ends; optimizing the power source structure and energy storage configuration of the bases; promoting the standardized and orderly development of offshore wind power; strengthening the coordination of the entire chain of source, grid, load, and storage, and supporting new business models such as integrated source-grid-load-storage systems and direct green electricity connections. At the same time, it improved the assessment mechanism for renewable energy integration responsibility weights, and strengthen provincial-level integration assessments and receiving-end integration responsibilities to resolve the deep-seated conflicts between new energy integration and system regulation.

**Zero-carbon Industrial park construction boosting local integration:** in July 2025, the National Development and Reform Commission, the Ministry of Industry and Information Technology, and the National Energy Administration jointly issued the Circular on Carrying out the Construction of Zero-Carbon Industrial Parks, which proposed mandatory targets for 2025: a renewable energy penetration rate of  $\geq 50\%$  for new parks and a renovation rate of  $\geq 30\%$  for existing parks. It also required the mandatory installation of energy storage or hydrogen energy peak-shaving facilities and the establishment of carbon monitoring platforms. The development of zero-carbon industrial parks has become a new engine for green development, effectively promoting the local integration of new energy and the energy structure transformation of these parks.

#### **4. The green certificate mechanism continued to improve, accelerating the realization of the environmental value of green electricity**

**The green certificate market entered a new stage:** in March 2025, the National Development and Reform Commission and other departments issued the Opinions on Promoting the High-Quality Development of the Renewable Energy Green Electricity Certificate Market (FGNY [2025] No. 262), which clearly proposed to "steadily promote mandatory consumption of green certificates in accordance with the law," and to expand the consumer base, gradually increasing the proportion of green electricity consumption in high-energy-consuming industries such as steel, building materials, and data centers. Residents were encouraged to support green electricity consumption by purchasing green certificates. The document required the establishment of a mechanism for the automatic batch issuance of green certificates on a monthly basis, which, in principle, would complete the issuance of green certificates corresponding to the previous month's electricity volume within the current month, significantly improving issuance efficiency. It required to improve the green certificate verification and cancellation mechanism to promote the optimal allocation of green certificates on a larger scale. At the same time, it emphasized promoting the internationalization of green certificate standards and accelerating the formulation of international standards for green electricity consumption to transform domestic standards into internationally accepted rules. In November 2025, the National Energy Administration issued the Implementing Rules for the

Management of Green Electricity Certificates for Renewable Energy (for Trial Implementation), which established a comprehensive green certificate lifecycle management mechanism with clear responsibilities, providing institutional support for the standardized operation of renewable energy environmental rights.

**Direct green electricity connection opened up a new path for local integration:** in May 2025, the National Development and Reform Commission and the National Energy Administration issued the Circular on Matters Concerning the Orderly Promotion of the Development of Direct Green Electricity Connection (FGNY [2025] No. 650), which, for the first time at the national level, clarified the definition and connotation of direct green electricity connection: new energy sources such as wind and solar power are not directly connected to the public power grid, but are directly connected to a single electricity user through dedicated power lines. The document, for the first time, allowed green power projects such as photovoltaics and wind power projects to transmit electricity directly to specific users via dedicated lines, no longer mandating full on-grid feed-in or exclusive purchase and sale through grid companies. It allowed users such as industrial parks and data centers to directly purchase green electricity via dedicated power lines and piloted cross-wall electricity sales, under which distributed photovoltaic systems may sell electricity directly to neighboring users, reducing intermediate links, lowering power consumption costs, and improving the efficiency of green electricity utilization. This policy aimed to meet enterprises' green energy needs and enhance the level of local new energy integration by strengthening the overall planning of direct green electricity connection projects to ensure their orderly development.

**Virtual power plants empowered flexible realization of the environmental value of green electricity:** in March 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the Guiding Opinions on Accelerating the Development of Virtual Power Plants (FGNY [2025] No. 357). As China's first national-level special policy for virtual power plants, it clarified the status of virtual power plants as a new type of business entity aggregating distributed power sources, adjustable loads, energy storage, and other distributed resources, and granted them the qualification of independent market entities to participate in the medium- and long-term electricity, spot, and ancillary service markets. The policy set quantitative targets for the national virtual power plant's regulation capacity to reach over 20 million kW by 2027 and over 50 million kW by 2030, requiring coordination with new energy and energy storage to enhance system regulation capacity and new energy integration levels. The development of virtual power plants provided technical support and a mechanism guarantee for the more flexible realization of the environmental value of green electricity in the power market.

### III. Discussion and analysis of operating results

#### **(I) The wind turbine business focused on technological breakthroughs and product design to build multi-dimensional competitiveness**

The Company built its core competitiveness in multiple dimensions, including performance, cost, and quality, through cutting-edge technological breakthroughs and platform-based innovation. On the technology R&D front, the Company focused on breakthroughs in core technologies such as extreme wind

condition analysis for the deep-sea areas, aero-structural coupling of ultra-large blades, and high-torque-density drive systems, establishing an open innovation ecosystem. During the reporting period, the Company launched the "New Leadership Program": introducing a new generation of MCD products and 50 MW-class floating wind turbines, and advancing the mainstream technology roadmap for deep-sea areas. Meanwhile, the Company launched benchmark models adapted to different scenarios, such as the new-generation MySE7.5-233 onshore wind turbine for high wind-capture efficiency in low-wind-speed areas of central and southeastern China, and the MySE12.XMW ultra-large onshore wind turbine unit specifically for "deserts, Gobi and barren lands" scenarios. In the offshore sector, the Company successfully connected the MySE18.X-20MW floating offshore wind turbine to the grid, building a technological moat of synergistic efficiency through "large-scale + lightweight" design.

To achieve the goal of cost reduction and efficiency improvement across the entire industry chain, the Company implemented platform-based and refined cost control at all levels. In the technology field, a platform-based product strategy was implemented, building an integrated simulation system for WTGS through component standardization, material innovation, and refined wind resource assessment to achieve load and cost reduction at the design stage. In the manufacturing process, a full life-cycle gross margin model was established to strictly control and minimize the volatility of unit costs. In addition, it collaborated with suppliers to reduce costs through technical cooperation and supply chain finance, and also advanced process optimizations such as improving manual efficiency for blades and reducing the cost of hybrid towers, while strengthening control over logistics costs and offshore technical modification expenses. In engineering O&M, it focused on building intelligent systems to achieve structural optimization of O&M costs. At the investment management level, the Company built a full-cycle control system covering "investment-financing-construction-management-operation-exit". Through standardized engineering management, it reduced the average construction cost for various terrains. It also established an investment budget and expense quota mechanism to ensure that construction costs maintained a leading level in the industry. Currently, the Company has established a tiered product matrix covering both onshore and offshore scenarios, continuously consolidating its industry-leading position with the "performance-quality-cost" golden triangle.

The Company achieved external sales of wind turbines of 18.3 GW, including 16.1 GW of onshore wind turbines and 2.2 GW of offshore wind turbines. Revenue from wind turbines and related accessories totalled RMB 31.01 billion.

## **(II) Further advancing the rolling development of new energy power stations to enhance the Company's sustainable development capability**

The rolling development of new energy power stations is one of the Company's key strategies. Through an integrated layout of "wind, solar, storage, hydrogen, and gas," the Company leverages the technological and product advantages of its manufacturing business to enhance its development and operational capabilities for new energy power stations, thereby further increasing the profitability of its self-built and self-operated new energy power stations. Meanwhile, the Company divests equity in some

project companies at appropriate times to improve capital liquidity and flexibility, achieving an asset-light operation model.

During the reporting period, the Company generated RMB 1.354 billion in power generation revenue from new energy power stations. As of the end of the reporting period, the installed capacity of the Company's operational new energy power stations was 2.09 GW, and the installed capacity under construction was 4.51 GW. In 2025, the Company achieved RMB 4.506 billion in sales revenue of power station products, advancing its "rolling development" model for new energy power stations to the next stage.

### **(III) Advancing the Company's integrated layout of "wind, solar, storage, hydrogen, and gas" and expanding innovative business in green electricity, hydrogen, ammonia, and methanol application scenarios**

Guided by innovation demands from smart energy application scenarios, the Company promoted the high-end development of new energy technologies, the industrial ecological development, and the application in various scenarios, exploring application and implementation paths for a new power system with new energy as the mainstay to form integrated new energy solutions. During the reporting period, the Company's independently developed 30 MW-class pure hydrogen gas turbine unit, "Jupiter-1," achieved pure hydrogen power generation and maintained stable operation. By advancing the signing of long-term green fuel agreements with key international clients and collaborating with strategic partners both internationally and domestically to plan "wind, solar, storage, hydrogen, and gas" projects, marine energy, and green chemical projects in key regions, the Company improved its integrated "wind, solar, storage, hydrogen, and gas" layout to drive breakthroughs in incremental markets through technological and model innovation.

### **(IV) Dual-wheel drive of industry and capital to explore diversified financing models**

In response to national policies, the Company deepened the integration of industry and capital. By launching Real Estate Investment Trusts (REITs) in the infrastructure sector, it effectively revitalized existing assets and promoted high-quality infrastructure development. The issuance of infrastructure REITs was a key model for the Company to achieve "rolling development" of new energy power stations. Driven by both industry and capital, it optimized the Company's asset operation and business models, further building a world-leading smart energy industry group and achieving green, inclusive and smart energy development.

On December 18, 2025, the "CSC-MYSE New Energy Asset-Backed Special Plan for Hold-Type Real Estate" was officially established at the Shanghai Stock Exchange. As the first inter-institutional REITs established by a private issuer of energy public REITs in China, it attracted enthusiastic subscriptions from a diverse range of investors, including insurance asset managers, bank wealth management businesses and local state-owned investors, fully demonstrating the market's high recognition of the value of clean energy assets. By building a dual-platform system of public REITs and inter-institutional REITs, the Company achieved an efficient connection between existing assets and the capital market. This provided a sustainable equity financing channel for the "rolling development" strategy of

new energy power stations and also explored a replicable path for private enterprises to revitalize heavy assets.

#### **IV. Analysis of core competitiveness during the reporting period**

√Applicable □N/A

##### **(I) Leading industry position**

The Company always adheres to the concept of green development, focusing on high-end equipment manufacturing and taking on the responsibility of promoting inclusive clean energy. It insists on innovation-led, independent R&D to drive the comprehensive development of its business around wind turbine manufacturing and new energy power station development and operation. During the reporting period, in the annual "Best Wind Turbines in the World" ranking released by Windpower Monthly, the internationally authoritative wind power industry media, five products of the Company made the list, winning two gold awards for "Best Offshore Wind Turbine in the World" and "Best Drive System in the World". This not only marks the fifth consecutive year that the Company has won the gold award for offshore turbines but also signifies a new stage for Chinese wind power enterprises, moving from "leading in scale" to "defining by technology."

In product R&D, the Company has accumulated long-term and profound technical expertise in both onshore and offshore wind power. The MySE series wind turbine technology, characterized by low cost, high stability, and high power generation, has gained unanimous recognition in the industry. The floating wind power platform independently developed by the Company, the "Mingyang Tiancheng," has successively won multiple honors, including the "Green Design Award" from the World Green Design Organization and the gold award for "Best Offshore Wind Turbine in the World" from WindPower Monthly. In addition, MYSE's MySE16.7-292 offshore wind turbine was also successfully shortlisted for Windpower Monthly's "Best Offshore Wind Turbine in the World" list. The MySE7.X-233 onshore wind turbine was shortlisted for the "Best Onshore Wind Turbine in the World (Above 5.91MW)" list.

In terms of client services, the Company adheres to a client-centric approach, providing "zero-distance service between the Company and its clients" in the layout of its production bases. It has completed the construction of a series of production bases nationwide to ensure low-cost transportation and rapid response for resources like products and spare parts in production delivery and after-market O&M services. Meanwhile, the Company has developed new intelligent O&M models, such as an intelligent O&M planning system for offshore wind power, a fault warning model based on a big data platform, an offline fault warning model, and a health management platform, to provide clients with customized full-lifecycle integrated solutions and smart operation services.

##### **(II) Strong core technology barriers**

The Company is a pioneer in the large-scale development of wind turbines in China, possessing first-mover advantages such as rapid product updates, lower costs, higher power generation, and a more mature technological route. The Company's wind turbine technology has undergone years of practical accumulation and several upgrades, featuring advantages such as modular design, compact structure, high efficiency, excellent power generation performance, superior anti-corrosion properties, convenient engineering construction, and easy maintenance.

The Company adheres to the development philosophy of technological innovation, continuously creating globally competitive wind power innovation solutions through the deep integration of advanced technology and product reliability. In the area of key component innovation, the Company independently developed core technologies such as high-efficiency, low-load design for ultra-long flexible blades, topology optimization design for large components, and lightweight design for drive system shafting. In

the area of system integration innovation, the Company innovatively developed integrated design for electrical systems and grid-forming turbine technology. Currently, the Company has completed the layout of a full-power product portfolio up to 25MW: the onshore product lines have provided solutions for 5-12MW+ wind power products, the offshore product lines have formed an echelon of 10-20MW large-capacity units, and a technological innovation system for 16.6MW, 18.5MW, and 24.5MW floating wind turbines has been established. Looking ahead, the Company will leverage new materials, new technologies, and new processes to achieve innovative breakthroughs in large-scale wind turbines and continuously enrich its technological reserves for floating wind turbines.

As an innovation driver and technology leader in the global clean energy sector, the Company will continue to advance the wave of wind power technology innovation, constantly expanding the boundaries of wind power development and providing sustainable, comprehensive support for global green development.

### **1. Offshore wind power technology**

Currently, the Company's offshore series wind turbines feature a mature and reliable structural design, equipped with a fully sealed nacelle design and high-efficiency heat exchangers, ensuring the units deliver excellent offshore anti-corrosion performance. At the same time, it can turn many non-developable offshore wind resources into developable ones, maximizing the economic needs of the owners.

After years of research and development, the Company has continuously refined its core technologies to create customized designs for the MySE series wind turbines that are tailored to the unique conditions of offshore China, featuring excellent typhoon resistance. By mastering massive amounts of data, the Company comprehensively analyzes factors such as typhoon wind speed and direction, turbulence intensity, wind shear, gust factor, and turbine operating status, and integrates the research results into the typhoon-resistant performance design of the MySE series wind turbines. The Company's R&D team has calculated the load conditions of the turbines under typhoon conditions by simulating typhoon working conditions, thereby ensuring that the MySE series wind turbines meet the requirements of the most severe typhoon environments. In terms of intelligent typhoon resistance, the Company's wind turbines can perform intelligent logical judgments and proactively respond to typhoon strikes by implementing customized anti-typhoon control strategies for different regions, wind farms, and even individual turbine positions. In typhoon-prone areas, based on the operational experience of nearly 3,000 typhoon-resistant turbines in severe typhoon-affected sea areas, the Company conducts long-term online monitoring with high-precision sensing devices to establish a massive measured database. By leveraging advanced prediction models, a scientific design system, precise typhoon-resistant strategies, and refined typhoon-resistant management, the Company's wind turbines are embedded with a typhoon-resistant "gene" from their inception. During the reporting period, several super typhoons made landfall on China's coast. Thanks to the robust typhoon-resistant technology of the turbines and the meticulous emergency deployment by the O&M team, all of the Company's wind turbines withstood the test, achieving the safety goal of zero major equipment losses.

### **2. Ultra-long blade technology**

The Company has always insisted on independent design of onshore and offshore blades, and has complete iterative design and development capabilities for blade aerodynamics, structure, and load. It can independently complete the design and manufacturing of new blade models to match and iteratively optimize its self-designed wind turbine models, giving it a unique first-mover advantage. The application of innovative materials enables the blades to effectively cope with extreme environmental conditions such as severe cold, high temperatures, and sandstorms. The development of high-reliability processes ensures the quality consistency and structural safety of the manufactured blades. In addition, the Company ensures the low cost of blades and their operational reliability during typhoons by adopting lightweight design and

aeroelastic tailoring design technology. Innovation in blade technology is one of the core means to reduce the future levelized cost of electricity for wind turbines. Mastering both WTGS design technology and blade design technology will give the Company a unique advantage in the competition.

### **3. Deep-sea floating wind power technology**

The Company continuously pursues technological innovation, leads industry advancements, and has become an active practitioner in the development and application of floating wind turbines in China. The Company focuses on R&D and innovation in key technical fields such as the development and utilization of wind resources in deep-sea areas, optimization of wind turbine performance, and enhancement of safety and reliability, contributing to the continuous advancement of floating wind power technology. At the same time, the Company has increased its investment in technology R&D and the capacity building of professional and technical personnel, accumulating significant technical achievements in wind and wave data collection, innovative R&D of offshore wind turbines, and offshore wind power construction. It has conducted multiple technical collaborations and key research projects on deep-sea floating technology with outstanding domestic and international research institutions, providing an excellent semi-submersible floating product for deep-sea typhoon-prone areas with good load transfer, structural safety, and stable motion response. This offers a safe, reliable, and cost-controllable solution for the Company's offshore wind turbines to venture into the deep sea.

MYSE continues to drive the expansion of offshore wind power into deep-sea areas through innovative technology. Following joint R&D with China Three Gorges and CNOOC on China's first floating wind power platform, the "Three Gorges Pioneer", and the "CNOOC Guanlan", China's first floating turbine operating at a water depth of over 100 meters and an offshore distance of more than 100 kilometers, the Company has independently developed Mingyang Tiancheng, a floating wind power platform featuring a dual-turbine, dual-rotor design. The "Mingyang Tiancheng" has achieved multiple world-firsts in turbine design and material application, driving innovation in wind turbine manufacturing.

#### **(III) Independent R&D and manufacturing capabilities for core key components to enhance self-reliance and industrial chain control**

The quality of wind turbine components determines the quality of the wind turbine as a whole. The Company possesses independent R&D, design, and manufacturing capabilities for core components such as blades, gearboxes, converters, pitch control systems, and electrical control systems, as well as the ability to conduct integrated modeling and model validation research. The Company has mastered the R&D, design, and manufacturing capabilities for core wind turbine components, which not only allows for effective cost control and increased profitability, but also enables optimized design of these components from a whole-unit system perspective, thereby improving the operational efficiency and reliability of the wind turbines to better meet the diverse needs of clients and maintain the Company's core product competitiveness.

In terms of the supply chain, the Company continues to promote vertical integration and deepen supply chain consolidation by implementing proactive supply chain policies. By strengthening control over the upstream supply chain, the Company has further controlled costs while effectively managing quality and ensuring delivery. In addition, the Company's technological reserves and continuous investment in key components enable it to export technologies to suppliers, integrate their production capacities for in-depth binding or self-supporting manufacturing, support the technological iteration of its complete turbines, and better meet ongoing model upgrade requirements.

#### **(IV) Strong innovation and R&D capabilities to continuously build a leading technological advantage**

By integrating global resources, the Company currently has industry-leading teams in blade design, drive system design, simulation, WTGS R&D and testing, and electrical system design. The Company has

also established a national enterprise technology center, a national-local joint engineering laboratory, a Guangdong provincial wind power technology engineering laboratory, a Guangdong provincial engineering center, and a postdoctoral research station, and has set up high-end, cutting-edge R&D centers in Silicon Valley, USA; Hamburg, Germany; as well as Beijing, Shanghai, and Shenzhen. In addition, the Company collaborates on scientific research and innovation with internationally renowned institutions such as TNO (Netherlands national energy research laboratory), DNVGL (Germanischer Lloyd), Fraunhofer (Fraunhofer Institute, Germany), and Romax (world-class drivetrain design specialist), achieving breakthroughs in cutting-edge wind power technologies such as wind resource assessment in complex terrain, aeroelastic mechanics research, drivetrain system design, and advanced control strategy development.

#### **(V) Steady advancement of globalization strategy**

The Company has continuously advanced its internationalization process. For years, high-end clean energy equipment "Made by Mingyang" has been put into operation in many countries and regions around the world. The Company adheres to innovation-driven development, continuously promoting the iteration and advancement of high-end clean energy equipment and solutions. It continues to cultivate the international market with products featuring high reliability, high power generation, and high returns. Upholding a "long-termism" philosophy, the Company will promote the global implementation of wind power, energy storage, and other projects to make clean energy accessible to all. During the reporting period, the Company won bids for several overseas projects, achieving a new breakthrough in overseas orders on hand.

#### **(VI) Full industry chain development in "wind, solar, storage, hydrogen, and gas"**

Through a full industry chain layout in renewable energy covering "wind, solar, storage, hydrogen, and gas," the Company built a multi-dimensional matrix of zero-carbon application scenarios. In the "greater offshore" scenario, the Company put into operation Mingyang Tiancheng, the world's largest floating platform, adopting the 5–25MW deep-sea product line and flexible HVDC transmission technology. For the "deserts, Gobi and barren lands" scenario, the Company provides customized solutions to address the issue of wind and solar power curtailment, achieving inter-seasonal energy storage through "green electricity-based hydrogen production and hydrogen storage for power generation". For the "zero-carbon industrial park" scenario, the Company has integrated innovative models like "power-hydrogen-ammonia-methanol" and "hydrogen-powered heating" to form integrated smart energy solutions. In multiple regions, including Inner Mongolia, the Company focused on creating green new quality productive forces, actively promoting the high-end development, industrial clustering, and scenario-based application of new energy technologies, and working with upstream and downstream industry chain partners to jointly usher in a golden era for regional new energy. The Company is leveraging scenario-based applications to drive model innovation in areas such as "power-hydrogen-ammonia-methanol" and "green computing power," providing customized solutions for various application scenarios and transforming green resource endowments into new drivers for a zero-carbon industrial economy.

### **V. Key business operations during the reporting period**

During the reporting period, the Company's operating revenue was RMB 38,094.9693 million, a year-on-year increase of 40.27%; net profit attributable to shareholders of the Listed Company was RMB 659.8737 million, a year-on-year increase of 90.65%; net assets attributable to shareholders of the Listed Company were RMB 26,317.0034 million, a year-on-year increase of 0.30%.

**(I) Analysis of primary business****1. Analysis of changes in items related to the Income Statement and Statement of Cash Flows**

Unit: RMB Currency: RMB

Item	Amount for the current period	Amount for the same period of the previous year	Change ratio (%)
Operating revenue	38,094,969,264.43	27,158,316,717.94	40.27
Operating costs	34,162,679,962.26	24,959,005,553.54	36.88
Selling expenses	815,133,651.00	711,905,688.37	14.50
G&A expenses	1,202,510,999.57	1,085,329,733.40	10.80
Financial expenses	515,530,966.30	342,440,213.42	50.55
R&D expenses	769,662,794.44	562,581,054.65	36.81
Net cash flows from operating activities	-5,538,072,069.59	-2,403,166,821.84	N/A
Net cash flows from investing activities	-1,885,422,746.80	-2,055,289,312.22	N/A
Net cash flows from financing activities	3,491,815,978.44	6,559,859,516.52	-46.77

Explanation of changes in operating revenue: the changes were mainly due to the increase in sales volume during the period.

Explanation of changes in operating costs: the changes were mainly due to the simultaneous increase with operating revenue.

Explanation of changes in selling expenses: no significant changes.

Explanation of changes in administrative expenses: no significant changes.

Explanation of changes in financial expenses: the changes were mainly due to the decrease in interest capitalization on loans for power station projects and changes in exchange gains and losses.

Explanation of changes in R&D expenses: the changes were mainly due to the Company's increased investment in R&D of new large-capacity onshore and offshore models, and the fact that some new R&D investment projects were in the expensing stage.

Explanation of changes in net cash flow from operating activities: the changes were mainly due to the increase in cash paid for purchasing goods and receiving services compared to the same period of the previous year, resulting from the growth in business scale.

Explanation of changes in net cash flow from investing activities: the changes were mainly due to the decrease in cash paid for the purchase and construction of fixed assets, intangible assets, and other long-term assets compared to the same period of the previous year.

Explanation of changes in net cash flow from financing activities: the changes were mainly due to the decrease in loans for power station construction projects compared to the same period of the previous year.

Detailed explanation of significant changes in the Company's business type, profit composition, or profit sources during the current period

Applicable N/A

**2. Analysis of revenue and costs**

Applicable N/A

During the reporting period, the Company achieved an operating revenue of RMB 38,094.9693 million, a year-on-year increase of 40.27%; and operating costs were RMB 34,162.68 million, a year-on-year increase of 36.88%.

## (1) Primary business breakdown by industry, product, region, and sales model

Unit: RMB Currency: RMB

Primary business breakdown by industry						
By industry	Operating revenue	Operating costs	Gross profit margin (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating costs (%)	Year-on-year change in gross profit margin (%)
Wind power industry	37,638,271,197.12	33,735,007,900.64	10.37	40.95	36.76	Increase of 2.74 percentage points
Primary business breakdown by product						
By product	Operating revenue	Operating costs	Gross profit margin (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating costs (%)	Year-on-year change in gross profit margin (%)
Sales of wind turbines and related accessories	31,010,004,661.15	29,030,502,331.48	6.38	48.85	38.71	Increase of 6.84 percentage points
Power station product sales	4,506,462,857.05	3,199,852,019.32	28.99	61.41	101.69	Decrease of 14.18 percentage points
Power generation from wind farms	1,353,690,343.84	731,159,006.70	45.99	-21.73	-1.35	Decrease of 11.15 percentage points
Other	768,113,335.08	773,494,543.14	-0.70	-43.07	-45.12	Increase of 3.75 percentage points
Primary business breakdown by region						
By region	Operating revenue	Operating costs	Gross profit margin (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating costs (%)	Year-on-year change in gross profit margin (%)
Domestic sales	36,831,380,184.37	33,100,273,790.36	10.13	41.17	37.23	Increase of 2.58 percentage points
International sales	806,891,012.75	634,734,110.28	21.34	31.32	16.27	Increase of 10.18 percentage points
Primary business breakdown by sales model						
Sales model	Operating revenue	Operating costs	Gross profit margin (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating costs (%)	Year-on-year change in gross profit margin (%)
Direct sales	37,638,271,197.12	33,735,007,900.64	10.37	40.95	36.76	Increase of 2.74 percentage points

Explanation of primary business breakdown by industry, product, region, and sales model: none

## (2) Analysis of production and sales volume

Applicable N/A

Main products	Unit	Production volume	Sales volume	Inventory	Year-on-year change in production volume (%)	Year-on-year change in sales volume (%)	Year-on-year change in inventory (%)
Wind turbines	Unit	2,821	2,471	606	47.77	47.79	63.34

Explanation of production and sales volume

The production and inventory volumes of major products include the production and inventory volumes of internal (within the Company's consolidated scope) wind turbine orders, but the sales volume refers to the sales of external wind turbine orders.

## (3) Performance of major purchase and sales contracts

Applicable N/A

## (4) Cost analysis table

Unit: RMB Currency: RMB

Breakdown by Industry							
By industry	Cost components	Amount in the current period	Percentage of total cost in the current period (%)	Amount in the same period of the previous year	Percentage of total cost in the same period of the previous year (%)	Percentage change in the amount for the current period compared to the same period of the previous year (%)	Explanations
Wind power industry	Raw materials	30,054,475,936.46	89.09	21,911,995,990.84	88.83	37.16	Note 1
Wind power industry	Labor cost	982,275,282.86	2.91	710,261,985.20	2.88	38.30	Note 1
Wind power industry	Other expenses	2,698,256,681.32	8.00	2,044,254,942.90	8.29	31.99	Note 1
Wind power industry	Total	33,735,007,900.64	100.00	24,666,512,918.94	100.00	36.76	Note 1
Breakdown by product							
By product	Cost components	Amount in the current period	Percentage of total cost in the current period (%)	Amount in the same period of the previous year	Percentage of total cost in the same period of the previous year (%)	Percentage change in the amount for the current period compared to the same period of the	Explanations

						previous year (%)	
Sales of wind turbines and related accessories	Raw materials	27,471,563,286.02	94.63	19,957,191,266.74	95.36	37.65	Note 2
Sales of wind turbines and related accessories	Labor cost	886,006,380.58	3.05	603,319,643.28	2.88	46.86	Note 2
Sales of wind turbines and related accessories	Other expenses	672,932,664.88	2.32	368,907,680.23	1.76	82.41	Note 2
Sales of wind turbines and related accessories	Total	29,030,502,331.48	100.00	20,929,418,590.25	100.00	38.71	Note 2
Power station product sales	Raw materials	1,966,579,709.31	61.46	927,630,920.28	58.47	112.00	Note 3
Power station product sales	Labor cost	13,308,394.15	0.42	11,727,589.52	0.74	13.48	
Power station product sales	Other expenses	1,219,963,915.86	38.12	647,162,740.39	40.79	88.51	Note 3
Power station product sales	Total	3,199,852,019.32	100.00	1,586,521,250.19	100.00	101.69	Note 3
Power generation from wind farms	Raw materials	5,506,607.58	0.75	6,190,127.61	0.83	-11.04	
Power generation from wind farms	Labor cost	48,937,352.85	6.69	42,805,431.86	5.78	14.33	
Power generation from wind farms	Other expenses	676,715,046.27	92.56	692,187,529.91	93.39	-2.24	
Power generation from wind farms	Total	731,159,006.70	100.00	741,183,089.38	100.00	-1.35	
Other	Raw materials	610,826,333.55	78.97	1,020,983,676.21	72.44	-40.17	Note 4
Other	Labor cost	34,023,155.28	4.40	52,409,320.54	3.72	-35.08	Note 4
Other	Other expenses	128,645,054.31	16.63	335,996,992.37	23.84	-61.71	Note 4
Other	Total	773,494,543.14	100.00	1,409,389,989.12	100.00	-45.12	Note 4

Other explanations of cost analysis:

Note 1: this was mainly due to the growth in sales of wind turbines and power station products;

Note 2: this was mainly due to the growth in sales of wind turbines;

Note 3: this was mainly due to the growth in sales of power station products;

Note 4: this was mainly due to the decline in sales of photovoltaic products.

**(5) Changes in the scope of consolidation due to changes in the equity of major subsidiaries during the reporting period**

√Applicable □N/A

For details, see Section VIII Financial report" of this Report.

**(6) Significant changes or adjustments to the Company's business, products, or services during the reporting period**

Applicable N/A

**(7) Information on major sales clients and major suppliers**

Clients or suppliers controlled by the same controlling person are treated as a single client or supplier and presented on a consolidated basis, except for those under the actual control of the same state-owned assets administration institution.

Explanation of the presentation of the following client and supplier information consolidated under common control: Clients or suppliers controlled by the same controlling person are treated as a single client or supplier and presented on a consolidated basis, except for those under the actual control of the same state-owned assets administration institution.

**A. Information on the Company's major sales clients and major suppliers**

Applicable N/A

Sales to the top five clients amounted to RMB 17.538162 billion, accounting for 46.05% of the total annual sales; of which, sales to related parties among the top five clients amounted to RMB 0, accounting for 0% of the total annual sales.

Purchases from the top five suppliers amounted to RMB 4,758,003,600, accounting for 12.20% of the total annual purchases; of which, purchases from related parties among the top five suppliers amounted to RMB 0, accounting for 0% of the total annual purchases.

**B. Situations where sales to a single client exceeded 50% of the total sales, new clients were included in the top 5 clients, or there was heavy reliance on few clients during the reporting period**

Applicable N/A

**Situations where purchases from a single supplier exceeded 50% of the total purchases, new suppliers were included in the top 5 suppliers, or there was heavy reliance on few suppliers during the reporting period**

Applicable N/A

**C. Risk warning of delisting or other risk warnings imposed on the Company's stock during the reporting period**

Top five sales clients

Applicable N/A

Top five suppliers

Applicable N/A

#### D. Trading business revenue of the Company during the reporting period

Applicable N/A

Top five sales clients from trading business with revenue ratio exceeding 10% of operating revenue

Applicable N/A

Top five suppliers from trading business with revenue ratio exceeding 10% of operating revenue

Applicable N/A

### 3. Expenses

Applicable N/A

For details, see "V. Key business operations during the reporting period" - "(I) Analysis of primary business" - "1. Analysis of changes in items related to the Income Statement and Statement of Cash Flows" in this Section.

### 4. R&D investment

#### (1) Table of R&D investment

Applicable N/A

Unit: RMB Currency: RMB

Expensed R&D investment for the current period	769,662,794.44
Capitalized R&D investment for the current period	340,549,590.86
Total R&D investment	1,110,212,385.30
Proportion of total R&D investment in operating revenue (%)	2.91
Proportion of capitalized R&D investment (%)	30.67

#### (2) Table of R&D personnel

Applicable N/A

Number of the Company's R&D personnel	2,248
Proportion of R&D personnel in the Company's total number of employees (%)	16.22
Educational background of R&D personnel	
Category of educational background	Number of personnel by educational background
Doctoral degree	28

Master's degree	989
Bachelor's degree	1,030
Junior college degree	170
High school and below	31
Age structure of R&D personnel	
Category of age structure	Number of personnel by age structure
Under 30 (exclusive)	978
30-40 (inclusive of 30, exclusive of 40)	913
40-50 (inclusive of 40, exclusive of 50)	320
50-60 (inclusive of 50, exclusive of 60)	33
60 and above	4

**(3) Explanations**

Applicable N/A

**(4) Reasons for significant changes in the composition of R&D personnel and their impact on the Company's future development**

Applicable N/A

**5. Cash flow**

Applicable N/A

For details, see "V. Key business operations during the reporting period" - "(I) Analysis of primary business" - "1. Analysis of changes in items related to the Income Statement and Statement of Cash Flows" in this Section.

**(II) Explanation of significant changes in profit due to non-primary business**

Applicable N/A

**(III) Analysis of assets and liabilities**

Applicable N/A

## 1. Assets and liabilities

Unit: RMB Currency: RMB

Name of project	Amount at the end of the current period	Proportion of amount at the end of the current period to total assets (%)	Amount at the end of the previous period	Proportion of amount at the end of the previous period to total assets (%)	Percentage change in the amount at the end of the current period compared to the end of the previous period (%)	Explanations
Financial assets held for trading	1,353,210,184.11	1.40	1,182,821.44	0.00	114,305.28	(1)
Notes receivable	190,647,713.05	0.20	33,580,281.79	0.04	467.74	(2)
Inventories	18,221,890,055.29	18.81	13,537,532,115.73	15.60	34.60	(3)
Contract assets	3,155,177,189.75	3.26	662,942,444.38	0.76	375.94	(4)
Assets held for sale	-	-	471,478,355.77	0.54	-100.00	(5)
Other current assets	3,210,797,579.16	3.32	2,189,300,251.46	2.52	46.66	(6)
Long-term receivables	103,512,426.49	0.11	10,000,000.00	0.01	935.12	(7)
Long-term equity investments	1,216,569,240.53	1.26	804,763,159.59	0.93	51.17	(8)
Other equity instrument investments	82,904,416.77	0.09	131,963,004.53	0.15	-37.18	(9)
Construction in progress	3,145,262,251.94	3.25	4,988,640,821.26	5.75	-36.95	(10)
Development expenditure	463,495,207.27	0.48	227,008,615.55	0.26	104.18	(11)
Short-term borrowings	3,820,287,364.04	3.94	1,576,852,627.32	1.82	142.27	(12)
Accounts payable	17,901,665,179.25	18.48	13,016,725,356.61	15.00	37.53	(13)
Taxes and surcharges payable	241,525,352.33	0.25	179,828,757.30	0.21	34.31	(14)
Other payables	3,602,818,238.83	3.72	2,471,345,185.17	2.85	45.78	(15)
Liabilities held for sale	-	-	265,940,037.74	0.31	-100.00	(16)
Non-current liabilities due within one year	2,204,909,107.88	2.28	1,628,453,578.61	1.88	35.40	(17)
Lease liabilities	267,328,810.06	0.28	179,232,500.52	0.21	49.15	(18)

Deferred tax liabilities	68,232,358.78	0.07	889,135,406.28	1.02	-92.33	(19)
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## Other explanations:

- (1) Trading financial assets: mainly due to an increase in the purchase of wealth management products.
- (2) Notes receivable: mainly due to an increase in commercial acceptance bills received.
- (3) Inventories: mainly due to an increase in goods dispatched and development costs for power station products.
- (4) Contract assets: mainly due to an increase in projects performed but not yet settled.
- (5) Assets held for sale: mainly due to the disposal of power station projects held for sale.
- (6) Other current assets: mainly due to the increase in input tax to be certified and deducted, as well as the increase in loans to companies of disposed power station projects.
- (7) Long-term receivables: mainly due to the increase in receivables from the investee's share repurchase.
- (8) Long-term equity investments: mainly due to the increase in investments in associates.
- (9) Investments in other equity instruments: mainly due to the external transfer of equity in an investee company.
- (10) Construction in progress: mainly due to the completion and transfer of power station projects to fixed assets.
- (11) Development expenditure: mainly due to the increase in R&D investment for new products.
- (12) Short-term borrowings: mainly due to an increase in bank borrowings.
- (13) Accounts payable: mainly due to the increase in payments owed to suppliers resulting from the expansion of procurement scale.
- (14) Taxes payable: mainly due to the increase in VAT and corporate income tax payable resulting from the growth in revenue and profit.
- (15) Other payables: mainly due to the increase in project construction payments.
- (16) Liabilities held for sale: mainly due to the disposal of power station projects held for sale.
- (17) Non-current liabilities due within one year: mainly due to an increase in long-term borrowings due within one year.
- (18) Lease liabilities: mainly due to an increase in lease payments payable.
- (19) Deferred tax liabilities: mainly due to changes in taxable temporary differences.

**2. Overseas assets**√Applicable N/A

**(1) Asset scale**

Including: overseas assets - 110,747.33 (Unit: RMB 10,000 Currency: RMB), accounting for 1.14% of total assets.

**(2) Relevant explanations for the high proportion of overseas assets**

Applicable N/A

**3. Major assets with restricted use as of the end of the reporting period**

Applicable N/A

Item	Book value at the end of the period (Unit: RMB)	Nature of restrictions
Monetary funds	391,277,152.63	1) As of December 31, 2025, the Company's security deposits totaling RMB 43,079,210.12 for letters of credit, time deposits, and land reclamation were restricted in use; an amount of RMB 250,000,000.00 was restricted in use due to earmarking for the purchase of structured deposits, and no funds were restricted due to being held in third-party securities institutions; 2) As of December 31, 2025, the Company's bank deposits totaling RMB 98,141,514.36 was restricted in use due to a court ruling for property preservation measures in a lawsuit; during the process of changing the registered capital and business scope, the Company's bank deposits totaling RMB 56,428.15 were temporarily restricted in use because the annual inspection information for its bank account was not approved;
Accounts receivable	1,314,316,306.30	Pledged as collateral for borrowings, finance leases, guarantees, bank acceptances and letters of credit;
Other non-current assets	142,844,267.64	Pledged as collateral for borrowings, finance leases, guarantees, bank acceptances and letters of credit;
Fixed assets	1,543,715,234.61	Mortgaged to secure bank loans and finance lease arrangements
Intangible assets	148,561,348.17	Mortgaged to secure bank loans and finance lease arrangements
Long-term equity investments	268,370,000.00	Pledged as collateral for bank borrowings and finance lease arrangements

**4. Other explanations**

Applicable N/A

**(IV) Analysis of industry operating information**√Applicable N/A

For details, see "II. Industry overview of the Company during the reporting period" in this Section.

**(V) Analysis of investment status****Overall analysis of external equity investments**√Applicable N/A

On October 13, 2025, the Company announced its plan to build the UK's first full-industry-chain integrated wind turbine manufacturing base in Scotland, with an estimated total investment of GBP 1.5 billion, equivalent to approximately RMB 14.21 billion (calculated based on the central parity rate of RMB on October 10, 2025). This investment plan involves complex international situations, a long construction period, and a large investment amount, and is still subject to approval from domestic and foreign regulatory authorities.. As of the disclosure date of this Report, the Company has not yet invested any funds in the above project.

During the reporting period, none of the Company's external investments reached the threshold for deliberation by the Board and the Shareholders' Meeting. The Company's external investments are made in strict compliance with the relevant provisions of the Articles of Association, the Rules of Procedure for Shareholders' Meetings, the Rules of Procedure for the Board of Directors, the Working Rules for the Chief Executive Officer (General Manager), and other regulations.

**1. Financial assets measured at fair value**√Applicable N/A

Unit: RMB Currency: RMB

Asset category	Amount at the beginning of the period	Profit or loss from changes in fair value for the current period	Cumulative changes in fair value recognized in equity	Impairment provision for the current period	Purchase amount for the current period	Sale/redemption amount for the current period	Other changes	Amount at the end of the period
Financial assets held for trading	1,182,821.44	14,183,332.97			15,020,447,015.62	13,660,423,664.00	-22,179,321.92	1,353,210,184.11
Other equity instrument investments	131,963,004.53		2,154,308.16		18,787,104.08	70,000,000.00		82,904,416.77

Other non-current financial assets	615,540,590.66	56,490,722.32			25,508,543.82	191,787,730.92	-4,656,747.73	501,095,378.15
Total	748,686,416.63	70,674,055.29	2,154,308.16		15,064,742,663.52	13,922,211,394.92	-26,836,069.65	1,937,209,979.03

## Securities investments

√Applicable □N/A

Unit: RMB Currency: RMB

Type of securities	Securities code	Securities abbreviation	Initial investment cost	Source of funds	Book value at the beginning of the period	Profit or loss from changes in fair value for the current period	Cumulative changes in fair value recognized in equity	Purchase amount for the current period	Sale amount for the current period	Investment profit or loss for the current period	Book value at the end of the period	Accounting item
Stock	600917	Chongqing Gas	1,583,580.02	Self-owned fund	1,182,821.44	-114,780.37					1,068,041.07	Financial assets held for trading
Stock	300751	Maxwell Technologies	99,999,510.00	Self-owned fund	41,733,824.70	39,733,881.42		10,077,043.82	9,787,730.92		81,757,019.02	Other non-current financial assets
Stock	02520	Shanxi Installation	143,707,531.59	Self-owned fund	199,429,434.56	10,258,747.01					209,688,181.57	Other non-current financial assets
Total	/	/	245,290,621.61	/	242,346,080.70	49,877,848.06		10,077,043.82	9,787,730.92		292,513,241.66	/

## Explanation of securities investments

□Applicable √N/A

## Private equity fund investments

□Applicable √N/A

## Derivatives investments

□Applicable √N/A

## 2. Specific progress of major asset restructuring and integration during the reporting period

Applicable N/A

### (VI) Sale of major assets and equity

Applicable N/A

Based on the Company's overall strategy of promoting the rolling development of wind farms and to further integrate resources, the Company held the 18th meeting of the third Board on March 26, 2025, at which it deliberated on and approved the sale of 100% equity in its controlled subsidiary, Taonan Baiqiang New Energy Co., Ltd., to Guangzhou Yuexiu New Energy Investment Co., Ltd. for a transaction consideration of RMB 96,830,100. The transaction is not subject to deliberation at the Shareholders' Meeting.

Given that the repurchase conditions in the Investment Agreement on Jiangsu Hige Energy Co., Ltd. previously signed by the Company with Jiangsu Hige Energy Co., Ltd. (hereinafter referred to as "Hige Energy"), Jiangsu Baichuan High-Tech New Materials Co., Ltd. (hereinafter referred to as "BCC", the controlling shareholder of Hige Energy), and other shareholders of Hige Energy were triggered, the Company issued a "Repurchase Right Exercise Letter" to BCC and Hige Energy. On June 6, 2025, the Company held the 20th meeting of the third Board, at which it deliberated on, approved, and signed the Agreement on the Share Repurchase of Jiangsu Hige Energy Co., Ltd. (hereinafter referred to as the "Repurchase Agreement"). It was agreed that Hige Energy would, through capital reduction, pay the Company the investment principal and all corresponding accrued interest in installments according to the schedule in the Repurchase Agreement, with interest settled along with the principal. The interest is calculated at an annual rate of 8% (simple interest), for the period from March 10, 2022 to the actual payment date by Hige Energy. BCC assumes joint and several liability for Hige Energy's obligation to pay the repurchase price.

Except for the above transactions, none of the Company's external sales during this reporting period reached the threshold for deliberation by the Board and the Shareholders' Meeting. The Company's sale of assets and equity strictly complies with the relevant provisions of the Articles of Association, the Rules of Procedure for Shareholders' Meetings, the Rules of Procedure for the Board of Directors, the Working Rules for the Chief Executive Officer (General Manager), and other regulations.

### (VII) Analysis of major controlled and investee companies

Applicable N/A

Information on major subsidiaries and investee companies whose impact on the Company's net profit exceeds 10%

Applicable N/A

Unit: RMB Currency: RMB

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Guangdong Mingyang New Energy Technology Co., Ltd.	Subsidiary	Manufacturing of wind power equipment	492,000,000.00	3,400,946,680.12	1,587,003,307.56	3,622,044,638.28	108,289,251.15	90,609,950.35
Beijing Jieyuan New Energy Investment Co., Ltd.	Subsidiary	Investment and asset management	1,198,214,570.00	4,562,785,210.32	4,099,671,462.36	27,540,093.65	425,419,669.69	363,204,790.84
Shaanxi Jingbian Mingyang New Energy Power Generation Co., Ltd.	Subsidiary	Wind power development and operation	440,890,000.00	1,152,377,360.02	409,937,241.51	210,288,306.87	131,672,461.01	123,169,404.69
Inner Mongolia Mingyang New Energy Development Co., Ltd.	Subsidiary	Heat production and supply	956,000,000.00	1,157,755,469.97	804,211,587.53	70,959,003.21	26,078,580.05	72,558,864.03
Turpan Yuexiang Energy Co., Ltd.	Subsidiary	Manufacturing of wind power prime mover equipment	200,000,000.00	1,746,630,831.56	358,296,356.11	3,029,561,694.48	181,536,635.34	155,072,806.67
REsource Electric Tianjin Ltd.	Subsidiary	Wind power equipment development and sales	154,763,000.00	2,916,830,873.44	1,221,259,904.98	2,187,329,424.81	77,931,443.09	72,752,773.09

Acquisition and disposal of subsidiaries during the reporting period

Applicable  $\sqrt{N/A}$ 

Other explanations

Applicable  $\sqrt{N/A}$

**(VIII) Structured entities controlled by the Company**Applicable N/A**VI. The Company's discussion and analysis of its future development****(I) Industry landscape and trends**Applicable N/A

For details, see "II. Industry overview of the Company during the reporting period" in this Section.

**(II) Company's development strategy**Applicable N/A

The Company will adhere to the business philosophy of global vision, value orientation, efficiency priority, benefit focus and innovation-driven performance, focus on the core business of wind power equipment, systematically build an industrial ecosystem, and continuously strengthen its business fundamentals. With a global perspective, the Company will steadily advance its overseas business layout, enhance its capabilities in cross-border resource integration and project delivery, strive to build an internationally competitive business system, and actively explore new growth opportunities. Meanwhile, the Company will vigorously promote strategic emerging businesses such as smart energy and hydrogen-ammonia-methanol, accelerate technology verification and demonstration applications, and cultivate subsequent growth curves. The Company always upholds the principle of balancing efficiency and profitability, reshapes its operation and management system, deepens organizational reform centered on customer focus and value creation, stimulates internal momentum, and comprehensively improves operational quality and profitability.

**(III) Operating plan**Applicable N/A**1. Seizing market initiative with customer value at the core**

The Company will adhere to a customer-centric approach, promoting a shift from "following market demand" to "creating market demand". By defining products through market insights, it will deepen joint project development and value co-creation with clients to enhance the alignment between its solutions and their needs. The Company will strengthen market operations and client relationship management, establish a tiered and classified client response mechanism, and enhance service stickiness and satisfaction. The Company will insist on giving equal importance to resource acquisition and order acquisition, deepen the synergy of the onshore wind power industry chain, expand its leading edge in offshore wind power, and seize market initiative.

**2. Winning with products and solutions to enhance customer experience**

The Company will systematically plan the product launch pace and portfolio strategy, focusing on large-capacity, high-reliability, and intelligent models to continuously enhance product market competitiveness. Focusing on the entire life cycle of wind power, it will create integrated solutions covering wind resource assessment, unit selection, project delivery, intelligent operation and maintenance, and upgrades and retrofits. The Company will continue to enhance the scenario adaptability of its solutions,

providing customized technology and service packages for different wind zones, grid connection conditions, and client needs, to comprehensively improve customer experience and the full life-cycle value of projects.

### **3. Improving operational efficiency by aligning production with demand**

The Company will be guided by the efficient alignment of production with demand to deepen lean operation management, strengthen the integrated coordination of production, supply, and sales, establish a demand-driven flexible production scheduling and material support mechanism, shorten delivery cycles, and reduce inventory occupation. The layout of production bases and capacity allocation will be optimized to enhance the parallel delivery capability for multiple models and projects. Closed-loop management of planning and execution will be strengthened to promote efficient coordination across all links including orders, design, procurement, manufacturing, and logistics, and continuously improve overall operational efficiency to provide solid support for business growth.

### **4. Improving operating effectiveness by tapping into potential and improving quality**

The Company will deeply tap into the potential of existing assets and current businesses to boost total factor productivity. The Company will continue to reduce the levelized cost of electricity and unit manufacturing costs through a combination of measures such as technology-driven cost reduction, procurement cost reduction, design optimization, and manufacturing expense control, strengthen full-cycle project revenue management, strictly control non-essential expenditures, increase the net sales margin and return on assets, establish a benefit-oriented assessment mechanism, and encourage all business units to focus on value creation to achieve a steady increase in operating effectiveness.

### **5. Building a high-quality brand through quality management**

The Company will build a comprehensive quality management system covering the entire chain of R&D, procurement, manufacturing, delivery, and O&M, promote proactive quality prevention and process control, improve the quality gate review mechanism at key nodes, strengthen penetrating management of supply chain quality, promote the improvement of suppliers' quality capabilities, establish a rapid response and closed-loop improvement mechanism for quality issues, and reduce the failure rate and full life-cycle quality costs.

### **6. Achieving breakthroughs with scenario-based innovation and accelerating the implementation of demonstration projects**

The Company will take scenario-based innovation as a breakthrough to accelerate the industrialization of businesses such as "source-grid-load-storage" and "power-hydrogen-ammonia-methanol integration". Focusing on typical scenarios such as areas rich in wind and solar resources, industrial parks, and ports, the Company will promote the initiation and construction of demonstration projects like green power-to-hydrogen, synthetic ammonia, and methanol production. Through project-based execution, the Company will validate technical routes, optimize system integration, explore commercial closed loops, and form replicable and scalable solutions. Through rapid iteration of demonstration projects, the Company will seize first-mover advantages in new tracks and cultivate its new growth curves.

### **7. Taking investment value as the benchmark to reconstruct new advantages in investment business**

The Company will continue to use investment value as a benchmark to promote the comprehensive upgrade of its power station development and investment business, advance the refinement of asset operations and the development of power trading capabilities, and enhance the generation revenue and market-based trading revenue of existing power stations. It will accelerate the monetization of mature power station assets, optimizing the asset structure and improving capital turnover efficiency through methods such as transfers and REITs. The Company will continue to optimize its intelligent investment business model to maximize value across the entire chain of investment, financing, construction, management, and exit.

### **8. Achieving strategic breakthroughs to open new prospects for overseas business**

The Company regards its overseas business as a strategic growth pole and is accelerating the construction of a globally diversified business landscape. The Company focuses on high-value regional markets, with a key emphasis on making breakthroughs in large-scale wind power and smart energy projects in both mature and emerging markets, and strengthens the building of local capabilities overseas, including marketing, services, supply chain, and compliance systems. The Company will establish international project delivery and financing capabilities, enhance brand recognition and market entry barriers, build long-term sustainable overseas competitive advantages, and achieve high-quality global breakthroughs.

## **(IV) Potential risks**

√Applicable □N/A

### **1. Macroeconomic risk**

The new energy industry is affected by global macroeconomic development. As a major manufacturer and solution provider of WTGS products, the Company's business is correlated with the global economic prosperity. A slowdown in macroeconomic growth may trigger a contraction in order size and an extension of the delivery cycle, while changes in interest rates will also have a certain impact on the Company's profitability.

### **2. Policy risk**

As a policy-driven industry, the wind power sector is highly relevant to national and local policy regulations, and faces risks of cyclical industry fluctuations arising from dynamic adjustments to relevant policies. Policy changes may trigger disruptions in the investment pace of the upstream and downstream industry chain, accelerate the iteration of technological routes, and lead to regional market fragmentation, resulting in alternating fluctuations characterized by periodic overcapacity and insufficient supply in the industry.

### **3. Risk of overseas market expansion progress falling short of expectations**

The Company is actively expanding into overseas markets. However, the macroeconomic policies and business environment governing overseas business differ significantly from those in China, requiring the support of experienced teams and professional technology. The development of the Company's overseas business may face the risk of progress falling short of expectations due to various factors.

#### 4. Supply chain risk

The core components of wind turbines are significantly affected by the procurement prices of bulk commodities in the supply chain. Supply chain disruptions (such as raw material price fluctuations and capacity bottlenecks) may affect the on-time delivery of key equipment, leading to project delays and cost overruns.

In response to the above risks, the Company will continue to strengthen policy research and judgment, deepen its technological moat, and improve its operation and management system, adopting systematic measures to address these risks and maintain its leading position in the industry. At the same time, the Company will strengthen market dynamics analysis and financial resource reserves, and effectively buffer business fluctuations caused by market risks through business diversification, flexible regional layout, and innovative application of capital tools, so as to ensure the Company's sustained and steady development.

#### (V) Others

Applicable N/A

#### VII. Explanations and grounds for the Company's failure to disclose information in accordance with the standards due to the inapplicability of the standards or special reasons such as state secrets and trade secrets

Applicable N/A

### Section IV Corporate governance, environment and society

#### I. Explanations on corporate governance

Applicable N/A

During the reporting period, the Company continuously improved its corporate governance structure, established and improved its internal control system, and standardized its operations in strict accordance with the requirements of laws, regulations, normative documents such as the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as well as the Articles of Association, and in combination with its actual situation. During the reporting period, in accordance with the relevant provisions of the Company Law, the Guidelines for the Articles of Association of Listed Companies, and the Code of Corporate Governance for Listed Companies, the Company abolished the Board of Supervisors, repealed the original Rules of Procedure for the Board of Supervisors, and the Audit Committee of the Board now exercises the powers of the Board of Supervisors as stipulated in the Company Law.

The Company's Shareholders' Meeting, the Board, and management have clearly defined powers and responsibilities, with each performing its own duties. The Board has four special committees: Strategy, Audit, Nomination, and Remuneration and Appraisal. Each special committee operates within the scope of its authority as stipulated in its respective working rules, conducts research on professional matters, and provides opinions and suggestions for the Board's decision-making reference. The independent directors strictly complied with the provisions of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Administrative Measures for Independent Directors of Listed Companies, the Articles of Association, and the Working System for Independent Directors. Based on the principles of objectivity, fairness, and independence, they diligently and responsibly fulfilled their

obligations as independent directors. They utilized their respective professional knowledge and experience to provide opinions and suggestions for the scientific decision-making and standardized operation of the Company's Board, fully leveraging their role and objectively and fairly safeguarding the legitimate rights and interests of all shareholders, especially minority shareholders.

The Company places great importance on the diversity of its Board members, as it provides the Company with a broader perspective and a wealth of professional experience. This not only helps to enhance the scientific nature of decision-making but also strengthens the overall effectiveness of corporate governance. The Company values the comprehensive management capabilities and professional technical expertise of its Board members. When evaluating the composition of the Board and reserving director candidates, the Board and its Nomination Committee comprehensively consider various factors such as gender, age, cultural and educational background, professional qualifications, skills, and industry experience to ensure that the Board possesses efficient governance capabilities and scientific, comprehensive decision-making abilities. The Board and its Nomination Committee continuously monitor the implementation of the diversity policy to ensure its effective execution.

The Company attaches great importance to information disclosure and investor relations management, and has designated the website of the Shanghai Stock Exchange, as well as China Securities Journal, Shanghai Securities News, Securities Daily, and Securities Times as the designated website and newspapers for its information disclosure. The Company treats all investors fairly, discloses information in a truthful, accurate, timely, fair, and complete manner, enhances corporate transparency, and effectively safeguards the legitimate rights and interests of the Company and all its shareholders. In addition to periodic reports, the Company disclosed a total of 90 interim announcements throughout 2025.

The Company has always regarded the fulfillment of social responsibilities as a cornerstone of sustainable development. It compiled its social responsibility work for 2025 into the 2025 Sustainability Report of Ming Yang Smart Energy Group Limited, which disclosed the Company's practices and achievements in the environmental, social, and governance fields. The Company strived to achieve a balance and harmony among the interests of all parties, including shareholders, the Company, employees, and social responsibilities, to promote its sustained and healthy development.

Whether there are any material differences between the Company's corporate governance and the provisions of laws, administrative regulations, and the CSRC's regulations on the governance of listed companies; if there are any material differences, the reasons shall be explained

Applicable N/A

## **II. Specific measures taken by the Company's controlling shareholder and Actual Controllers to ensure the Company's independence in terms of assets, personnel, finance, organization, and business, as well as solutions, work progress, and follow-up plans adopted to address any factors affecting the Company's independence**

Applicable N/A

The Company operates in strict accordance with the requirements of the Company Law, the Securities Law, and other relevant laws and regulations, as well as the Articles of Association. It has established a sound corporate governance structure and is independent from its controlling shareholder, Actual Controllers, and other enterprises under their control in terms of assets, personnel, finance, organization, and business. The Company possesses a complete business system and the ability to operate independently in the market.

### **(I) Asset integrity**

The Company is a manufacturing enterprise primarily engaged in the manufacturing of high-end new energy equipment, as well as the investment, operation, and intelligent management of new energy power stations. The Company possesses the main production systems, auxiliary production systems, and supporting facilities related to its production and operation. It legally owns or has the right to use the main

land, plants, machinery, equipment, as well as trademarks, patents, and non-patented technologies related to its production and operation. It has independent systems for raw material procurement and product sales. The Company's assets are subject to clear and complete ownership, and it does not rely on the assets of its controlling shareholder or Actual Controllers for its production and operation.

(II) Personnel independence

The appointment and removal of directors and senior officers strictly follow the deliberation procedures of the Board and the Shareholders' Meeting. The controlling shareholder and Actual Controllers have not interfered in the Company's personnel appointments and removals in any way other than by exercising their shareholder rights as stipulated by relevant laws, regulations, and the Articles of Association. The Company's senior officers, including the Chief Executive Officer (General Manager), Business President, Chief Financial Officer, Chief Risk Officer, Vice President, and Board Secretary, do not hold any administrative positions other than director or supervisor in the controlling shareholder, the Actual Controllers, or other enterprises under their control, nor do they receive remuneration from them.

(III) Financial independence

The Company has established an independent financial accounting system, is capable of making independent financial decisions, and has standardized financial and accounting systems and financial management systems for its subsidiaries. The Company has opened independent bank accounts and does not share bank accounts with its controlling shareholder, Actual Controllers, or other enterprises under their control.

(IV) Organizational independence

The Company has established a sound internal operational management structure and independently exercises its operational and management powers. There is no institutional overlap between the Company and its controlling shareholder, Actual Controllers, or other enterprises under their control. The Company has legally established the Shareholders' Meeting, the Board and its special committees, with clearly defined functions and authorities. It has formulated corresponding rules and regulations and strictly adheres to them. Meanwhile, the Company has established an organizational structure that meets the needs of its own development and market competition. The organizational structure is sound, complete, and operates in a normal and orderly manner. All functional departments are able to independently exercise their operational and management powers, and there are no instances of mixed operations or co-located offices with shareholder entities.

(V) Business independence

The Company has independent and complete systems for R&D, production, procurement, and sales. Its business is independent of its controlling shareholder, Actual Controllers, and other enterprises under their control. There is no horizontal competition, nor are there any obviously unfair related-party transactions with its controlling shareholder, Actual Controllers, or other enterprises under their control.

Situations where the controlling shareholder, Actual Controllers, or other entities under their control are engaged in businesses that are the same as or similar to the Company's business, as well as the impact of horizontal competition or significant changes in horizontal competition on the Company, the solutions that have been adopted, the progress of such solutions, and subsequent solution plans

Applicable N/A

### III. Information on directors and senior officers

#### (I) Shareholding changes and remuneration of current and departed directors and senior officers during the reporting period

√Applicable □N/A

Unit: share

Name	Position	Gender	Age	Start date of term	End date of term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shareholding during the year	Reason for the change	Total pre-tax remuneration received from the Company during the reporting period (RMB 10,000)	Whether remuneration is received from the Company's related parties
Chuanwei Zhang	Chairman, Chief Executive Officer (General Manager)	Male	63	March 23, 2017	September 25, 2026	1,909,600	1,909,600	-	-	496.42	No
Changxin Ge	Vice Chairman	Male	67	September 26, 2023	August 14, 2025	-	-	-	-	88.01	No
Qiyang Zhang	Director	Male	47	September 16, 2019	September 25, 2026	2,600,000	2,600,000	-	-	352.28	No
	Chief Technology Officer			March 23, 2017	August 14, 2025						
	President of Intelligent Manufacturing Business Line			September 26, 2023	August 14, 2025						
	Business President			August 14, 2025	September 25, 2026						
Jinfa Wang	Director	Male	61	March 23, 2017	August 13, 2025	4,654,620	4,654,620	-	-	128.56	No
Limin Wang	Chairman of the Board of Supervisors	Male	58	September 26, 2023	September 9, 2025	75,000	75,000	-	-	214.21	No
	Employee Representative Director			September 9, 2025	September 25, 2026						
Rui Zhang	Director	Male	35	March 23, 2017	September 25, 2026	-	-	-	-	182.70	No
	President of Photovoltaic Business Line			September 26, 2023	August 14, 2025						
	Vice President			August 14, 2025	September 25, 2026						
Chao Zhang	Director	Female	37	September 9, 2025	September 25, 2026	-	-	-	-	262.62	No
	Vice President			September 26, 2023	September 25, 2026						
Yuanfeng Fan	Director	Male	56	September 26, 2023	September 25, 2026	334,000	334,000	-	-	170.11	No
Dawei Zhang	Director	Male	61	September 26, 2023	August 13, 2025	-	-	-	-	-	Yes
Maoliang Lin	Director	Male	54	September 9, 2025	September 25, 2026	-	-	-	-	-	Yes
Tao Zhu	Independent Director	Male	49	September 26, 2023	September 25, 2026	-	-	-	-	9.60	No
Ying Liu	Independent Director	Female	47	September 26, 2023	September 25, 2026	-	-	-	-	9.60	No
Shaobin Shi	Independent Director	Male	57	September 26, 2023	September 25, 2026	-	-	-	-	9.60	Yes
Rongchang	Independent Director	Male	49	September 26, 2023	September 25, 2026	-	-	-	-	9.60	No

Wang											
Lianyu Liu	President of Energy Services Business Line	Male	61	September 26, 2023	August 13, 2025	-	-	-	-	96.58	No
Caifa Liang	Chief Financial Officer	Male	54	May 28, 2019	January 24, 2025	954,286	954,286	-	-	18.94	No
Meng Fang	Chief Financial Officer	Male	46	January 24, 2025	September 25, 2026	-	-	-	-	246.15	No
Dongdong Wang	Chief Operating Officer	Male	44	September 26, 2023	August 14, 2025	340,000	340,000	-	-	178.37	No
	Vice President			August 14, 2025	September 25, 2026						
Liu Jianjun	Chief Risk Officer	Male	49	September 26, 2023	September 25, 2026	464,400	464,400	-	-	157.52	No
Lingna Yi	Vice President	Female	41	March 27, 2020	September 25, 2026	518,027	518,027	-	-	157.46	No
Bing Han	Vice President	Male	44	September 26, 2023	September 25, 2026	220,000	220,000	-	-	225.92	No
Fan Ye	Vice President	Male	44	September 26, 2023	September 25, 2026	101,000	101,000	-	-	133.56	No
Chengkui Wang	Vice President, Board Secretary	Male	43	October 21, 2024	September 25, 2026	-	-	-	-	141.80	No
Total	/	/	/	/	/	12,170,933	12,170,933	-	/	3,289.61	/

Note 1: The number of shares held by directors and senior officers disclosed in the table above is the number of shares directly held by them.

Note 2:

(1) On January 24, 2025, the Company held the 16th meeting of the third Board. Upon the nomination by Chuanwei Zhang, the Company's Chairman and Chief Executive Officer (General Manager), and after the review by the Nomination Committee and the Audit Committee of the Board, the Board approved the appointment of Meng Fang as the Company's Chief Financial Officer (with a term of office from January 24, 2025 to September 25, 2026).

(2) On July 7, 2025, Changxin Ge, Vice Chairman and member of the Audit Committee, applied for resignation for personal reasons. His resignation did not take effect immediately as it would cause the number of members of the Company's Audit Committee to fall below the statutory minimum. On August 14, 2025, the Company held the 22nd meeting of the third Board. Upon the nomination by Chuanwei Zhang, the Company's Chairman and Chief Executive Officer (General Manager), and after the review by the Nomination Committee of the Board, the Board approved the election of Director Yuanfeng Fan as a member of the Company's Audit Committee, and Mr. Changxin Ge's resignation became effective on the same day.

(3) On August 13, 2025, Director Jinfa Wang, Director Dawei Zhang, and senior officer Lianyu Liu resigned from their positions as director and senior officer of the Company due to reaching retirement age. The Company held the 22nd meeting of the third Board on August 14, 2025, and the second extraordinary general meeting of 2025 on September 9, 2025, at which the Proposal on the Election of Non-Independent Director Candidates for the Third Board of the Company was deliberated and approved, agreeing to elect Chao Zhang and Maoliang Lin as non-independent directors of the third Board of the Company. The term of office is from September 9, 2025 to September 25, 2026.

(4) On August 14, 2025, at the 22nd meeting of the third Board, the Company deliberated on and approved the Proposal on Adjusting the Positions of Some Senior Officers, whereby Qiying Zhang's position was adjusted to Business President; Rui Zhang's position was adjusted to Vice President; Dongdong Wang's position was adjusted to Vice President. The above position adjustments do not affect their terms of office.

(5) The Company held the Second Extraordinary General Meeting of 2025 on September 9, 2025, which deliberated on and approved the Proposal on Amending the Articles of Association and the Proposal on Abolishing the Board of Supervisors and Repealing the Rules of Procedure for the Board of Supervisors. According

to the amended Articles of Association, the Company will no longer have a Board of Supervisors or any supervisor, and shall add one Employee Representative Director to the Board. On September 9, 2025, the Company held the first employees' congress of 2025 in the Party-Mass Conference Room on the first floor of its headquarters building. After deliberation by the attending employee representatives, Mr. Limin Wang was unanimously elected as the Employee Representative Director of the third Board of the Company. The term of office is from September 9, 2025 to September 25, 2026.

Note 3:

(1) During the reporting period, non-independent Directors Dawei Zhang and Maoliang Lin did not receive remuneration from the Company. The remuneration received by Chairman Chuanwei Zhang, Vice Chairman Changxin Ge, and Directors Qiying Zhang, Jinfa Wang, Limin Wang, Rui Zhang, Chao Zhang, and Yuanfeng Fan constituted remuneration for their other positions held in the Company, rather than director allowances.

(2) Caifa Liang resigned from the position of Chief Financial Officer on January 24, 2025, and his disclosed pre-tax remuneration covered January 2025; fang Meng was appointed as Chief Financial Officer on January 24, 2025, and his disclosed pre-tax remuneration covered the period from February 2025 to December 2025; changxin Ge submitted his resignation application for the positions of Vice Chairman and member of the Audit Committee on July 7, 2025, and his disclosed pre-tax remuneration covered the period from January 2025 to July 2025; jinfa Wang and Lianyu Liu resigned from their positions as directors and senior officers on August 14, 2025, and their disclosed pre-tax remuneration covered the period from January 2025 to August 2025.

Name	Major work experience
Chuanwei Zhang	Mr. Chuanwei Zhang was a deputy to the 12th and 13th National People's Congress. From 1984 to 1988, he served as Secretary and Section Chief of the General Office of the Chongqing Municipal Party Committee. From 1988 to 1990, he served as Office Director and Assistant to the Factory Director of Henan Xinyang High-Voltage Switchgear General Factory. From 1990 to 1993, he served as the General Manager of Zhuhai Fengze Electrical Appliance Co., Ltd., a Sino-foreign joint venture. In 1993, he founded Zhongshan Mingyang Electrical Appliances Co., Ltd. and has served as its Chairman to date. Since 2020, he has served as the Chairman of Guangdong Mingyang Electric Co., Ltd. In 2006, he founded Guangdong Mingyang Wind Power Technology Co., Ltd. (the predecessor of Guangdong Mingyang Wind Power Industry Group Co., Ltd. and Ming Yang Smart Energy Group Limited) and has served as its Chairman and Chief Executive Officer (General Manager) to date.
Changxin Ge	From April 2004 to February 2018, he successively served as Deputy General Manager of China Resources Power Hubei Co., Ltd., General Manager of Guangzhou China Resources Thermal Power Co., Ltd., General Manager of the South China Branch of China Resources Power Holdings Company Limited, Deputy General Manager of the Thermal Power Business Division of CR Power, Head of the Board Office & Strategic Development Department, Vice Chairman of the Board of Directors & Senior Vice President of China Resources Power Holdings Company Limited, and retired in February 2018. Since June 2021, he has served as a Senior Advisor to the Company. From September 2023 to August 2025, he served as the Vice Chairman of the Company.
Qiying Zhang	From 2003 to 2006, he served as the Manager of Shanghai Sachs Huizhong Shock Absorber Co., Ltd. From 2006 to 2011, he successively served as Project Manager and Assistant to the President at the Shanghai Representative Office of Aerodyn Energiesysteme GmbH. From 2011 to 2014, he successively served as Director of the Technology Center and Technology Director at Guodian United Power Technology Co., Ltd. From 2014 to

	September 2019, he successively served as the Company's Vice President of Engineering R&D, Chief Technology Officer, and Chief Technology Officer & Co-Chief Operating Officer. From September 2019 to March 2020, he served as a director, Chief Technology Officer & Co-Chief Operating Officer of the Company. From March 2020 to September 2023, he served as a director, Chief Operating Officer & Chief Technology Officer of the Company. He served as the President of Intelligent Manufacturing Business Line and Chief Technology Officer of the Company from September 2023 to August 2025; and has served as a director of the Company since September 2023. He has served as the Business President of the Company since August 2025.
Jinfa Wang	From 1986 to 1997, he served as the General Manager of the Vacuum Switch Branch of Henan Xinyang High-Voltage Switchgear Factory. From 1998 to 2000, he served as the Deputy General Manager of Henan Xinyang Electric Appliance Co., Ltd. From 2000 to 2006, he served as the Deputy General Manager of Zhongshan Mingyang Electrical Appliances Co., Ltd. From 2006 to March 2017, he successively served as Senior Vice President and Secretary of the Party Committee of the Company. He served as a director of the Company in March 2017, and served as a director and Chief Administrative Officer of the Company from May 2017 to September 2023. From September 2023 to August 2025, he served as a director of the Company.
Limin Wang	From July 1989 to September 2013, he successively served as a Clerk and Secretary of the Party Leadership Group at the Heilongjiang Provincial Coal Industry Administration; Section Chief and Division Chief at the Heilongjiang Local Coal Industry (Group) Corporation; Deputy General Manager and General Manager of Guohua (Qiqihar) Wind Power Co., Ltd.; General Manager of the Engineering Division, Board Secretary & General Manager of the Planning and Operations Department, and General Manager of Heilongjiang Branch of CGN Wind Energy Limited. Since September 2013, he has successively served as President and Senior Vice President of the Company, Vice Chairman and General Manager of Beijing Jieyuan New Energy Investment Co., Ltd., and General Manager of Inner Mongolia Mingyang New Energy Development Co., Ltd. From September 2023 to September 2025, he served as the Chairman of the Board of Supervisors of the Company. He has served as an Employee Representative Director of the Company since September 2025.
Rui Zhang	From 2012 to March 2017, he successively served as the Director of the Procurement Department and a director of the Company. From March 2017 to September 2023, he served as a director, Business Vice President, Director of the Strategic Development and Industrial Planning Center, Deputy Director of the Operations Center, Head of the Operations Planning Department, General Manager of the Procurement Management Department, and Assistant to the CEO of the Company. He served as the President of Photovoltaic Business Line of the Company from September 2023 to August 2025; and has served as a director of the Company since September 2023. He has served as a Vice President of the Company since August 2025.
Chao Zhang	Since January 2017, she has successively served as the Company's General Manager of the Capital Operation and Asset Management Department & Deputy General Manager of the Smart Energy Business Division, Chairman of the East China Smart Energy Research Institute, Business Vice President & General Manager of the Investment and Asset Management Department, and General Manager of the European Center. From March 2023 to September 2023, she served as a director of the Company. She has served as a Vice President of the Company since September 2023; and has served as a director of the Company since September 2025.

Yuanfeng Fan	From July 1993 to December 2010, he successively served as the Director of the Supervision Office and the President of a sub-branch of China Construction Bank Corporation, Zhongshan Branch. He successively served as the General Manager of the Company's Financing Management Department and the Business Vice President from December 2010 to September 2023; and has served as a director of the Company since September 2023.
Dawei Zhang	In August 2016, he was appointed as the designated representative of the executive partner of Guangdong Hengjiahe Investment Partnership (Limited Partnership). He successively served as the General Manager of Guangdong Hengkuo Investment Co., Ltd., the designated representative of the executive partner of Guangzhou Hengkuo Investment Partnership (Limited Partnership), the Capital Operation Director of Guangdong Hengjian Investment Holding Co., Ltd., a director of Guangdong Zhongmin Investment Holding Co., Ltd., and a director of Guangdong Fenghua Advanced Technology Holding Co., Ltd. From September 2023 to August 2025, he served as a director of the Company.
Maoliang Lin	From August 2020 to July 2025, he successively served as a director and Deputy General Manager of Guangdong Agricultural Supply Side Structural Reform Fund Management Co., Ltd., Deputy General Manager of Guangdong Hengtai'an Investment Co., Ltd., Deputy General Manager of Guangdong Agricultural Supply-side Structural Reform Fund Management Co., Ltd., Deputy General Manager of Guangdong Hengjian International Investment Co., Ltd., a director and General Manager of Guangdong Hengjian International Investment Co., Ltd., a supervisor of Everbright Securities Company Limited, and a director of Dirui Industrial Co., Ltd. He has served as a director of EAST Group Co., Ltd. since August 2023. He has served as the General Manager of Guangdong Hengkuo Investment Co., Ltd. since June 2025; and has served as a director of the Company since September 2025.
Tao Zhu	He has been a faculty member in the Department of Accounting, School of Management at Jinan University since December 2012. He has served as the Director of the Finance and State-owned Assets Management Office of Jinan University since June 2021. He has served as an independent director of BTR New Material Group Co., Ltd. since August 2022; and has served as an independent director of the Company since September 2023.
Ying Liu	From June 2015 to July 2021, she served as a professor and doctoral supervisor at the School of Law, Wuhan University. She has served as a professor and doctoral supervisor at the School of Law, Sun Yat-sen University since August 2021. She has served as an independent director of Improve Medical Instruments Co., Ltd. since June 2023. She has served as an independent director of Guangdong Guangzhou Daily Media Co., Ltd. since August 2025; and has served as an independent director of the Company since September 2023.
Shaobin Shi	From March 2017 to June 2018, he served as a founding partner of CMIG Health Industry Investment Management Co., Ltd. He has served as the Chairman of Guangdong Beiyong Fund Management Co., Ltd. since 2017. He has served as the supervisor of Guangzhou Renzhimu Biotechnology Co., Ltd. since May 2017. From December 2017 to June 2023, he served as an independent director of Tiantu Holding Group Co., Ltd. He has served as the legal representative of Guangzhou Medical Assistance Charity Promotion Association since 2018. He has served as the Executive Director of Guangzhou Yihe Health Industry Development Co., Ltd., the Executive Director and Manager of Guangzhou Beiyong Enterprise Management Consulting Co., Ltd., and the supervisor of Guangzhou Beixu Technology Co., Ltd. since February 2020. He has served as the designated representative of Beitai (Guangzhou) Investment Partnership (Limited Partnership) since January 2021. From September 2022 to June 2024, he served

	as an independent director of Nanning Department Store Co., Ltd. He served as director of Guangzhou Phil Medical Laboratory Co., Ltd. from March 2023 to December 2023. He has served as the Chief Executive Officer of Southern Packaging Group Limited since January 2025; and has served as an independent director of the Company since September 2023.
Rongchang Wang	He has been teaching at the Department of Accounting, School of Business Administration, South China University of Technology since July 2008. He has served as an independent director of Guangzhou S.P.I Design Co., Ltd. since February 2023. He has served as an independent director of Maxphotonics Co., Ltd. since December 2023; and has served as an independent director of the Company since September 2023.
Lianyu Liu	From 1989 to 1996, he served as the Project Manager of the Planning Division of the General Institute of Water Resources and Hydropower Planning and Design. From 1996 to 1999, he served as a Principal Staff Member of the Hydropower Division of the Planning Department of the Ministry of Electric Power Industry of the People's Republic of China. From 1999 to 2002, he served as the Deputy Director of the Planning Division of the Strategic Planning Department of the former State Power Corporation. From 2002 to 2006, he served as the Director of the Project Preliminary Work Division of the Planning and Development Department of China Guodian Corporation. From 2004 to 2005, he served as the Director of the Preparatory Office for the Zhongshan Gas-fired Power Generation Project of China Guodian Corporation. From 2005 to 2007, he served as the General Manager of China Guodian Corporation Zhongshan Gas-fired Power Generation Company. From 2005 to 2008, he served as the Deputy Director of the Nuclear Power Office of China Guodian Corporation. From 2006 to 2008, he served as the Deputy Director of the Planning and Development Department of China Guodian Corporation. From 2006 to 2009, he served as the Secretary of the Party Leadership Group and General Manager of the Henan Company of China Guodian Corporation. From May 2009 to March 2014, he served as the Director of the Nuclear Power Office and Deputy Director of the Planning Department of China Guodian Corporation. From March 2014 to September 2015, he served as the Director of the Inspection Office of the Party Leadership Group of China Guodian Corporation. From September 2015 to 2017, he served as the Director of the Procurement and Material Management Department of China Guodian Corporation. From December 2017 to February 2020, he served as the Co-Chief Operating Officer of the Company. From March 2020 to September 2023, he served as a Supervisor of the Company. From September 2023 to August 2025, he served as the President of the Company's Energy Services Business Line.
Caifa Liang	From 1993 to 2013, he served as an Accountant, Finance Manager, and Business Division Finance Director at SANY Group Co., Ltd. From 2013 to April 2019, he served as the Company's Vice President of Finance and General Manager of the Finance Center. From May 2019 to January 2025, he served as the Chief Financial Officer of the Company.
Meng Fang	From June 2003 to May 2010, he worked at Haier Group Corporation, where he successively served as Overseas Finance Manager of the Computer Division, Head of Financial Planning and Analysis, and Director of the Finance Department. From May 2010 to December 2014, he worked at Bidewen Holding Group Co., Ltd., where he successively served as Business Division Finance Director and Deputy General Manager. From December 2014 to July 2017, he worked at Beijing Electric Vehicle Co., Ltd., where he served as Deputy Director of the Finance Department. From September 2017 to December 2017, he worked at SANY Group Co., Ltd., where he served as Business Division Finance Director. From January 2018 to February 2024, he worked at Sany Heavy Energy Co., Ltd., where he served as Finance Director and Board Secretary. From February 2024 to August 2024, he worked at Sany Heavy Energy Co., Ltd., where he served as Finance Director. From August 2024 to November 2024, he worked

	at SANY Group Co., Ltd., where he served as Business Division Finance Director. He has served as the Chief Financial Officer of the Company since January 2025.
Dongdong Wang	From August 2004 to March 2011, he served as a Process Engineer and Chief Design Engineer at Beijing BEIZHONG Steam Turbine Generator Co., Ltd. From April 2011 to February 2016, he successively served as the Deputy Director of the Engineering Support and Testing Institute and the Director of the Wind Power Testing Technology Research Institute at Guodian United Power Technology Co., Ltd. From March 2016 to March 2020, he successively served as the Company's Manufacturing Director, Assistant to the Executive President, Business Vice President, and General Manager of the Production and Manufacturing Department. From March 2020 to June 2022, he served as the Company's Vice President, Deputy Director of the Operations Center, and General Manager of the Production and Manufacturing Department and the Offshore Engineering Operation and Maintenance Department. He has served as the Company's Senior Vice President and Director of the Operation Center since July 2022. He served as the Company's Chief Operating Officer from September 2023 to August 2025. He has served as a Vice President of the Company since August 2025.
Liu Jianjun	From 2002 to 2004, he served as a Financial Accountant at Guangzhou Real Estate Industry Group Co., Ltd. From 2004 to 2007, he served as a Project Manager at Guangdong Kangyuan Certified Public Accountants. From 2007 to 2017, he successively served as the Director of the Financial Accounting Department, General Manager of the Strategic Development Department, and General Manager of the Capital Operation and Asset Management Department of the Company. He served as the Board Secretary of the Company from March 2017 to September 2023. He has served as the Company's Chief Risk Officer since September 2023.
Lingna Yi	Since May 2008, she has successively served as the Secretary to the Chairman of the Company, Deputy Director of the President's Office, Deputy Director of the Board Secretary's Office, Deputy Director of Investor Relations, Deputy General Manager of the Capital Operation Department, Director of the Listing Office (Board Office), Director of the Change Management Office, Secretary General of the CEO's Office Meeting, and General Manager of the Human Resources Center. She has served as the Company's Vice President since March 2020.
Bing Han	Mr. Bing Han is a member of the 8th Yangjiang Municipal Committee of the Chinese People's Political Consultative Conference. From 2007 to 2016, he worked at China Longyuan Power Group Corporation Limited. Since 2017, he has successively served as the Company's Business Vice President, Deputy General Manager of Ming Yang Smart Energy Group Beijing Technology Co., Ltd., Deputy General Manager of Beijing Jieyuan New Energy Investment Co., Ltd., Chairman of Guangdong Mingyang New Energy Technology Co., Ltd., General Manager of Zhongshan Mingyang New Energy Technology Co., Ltd., Deputy Director and Office Director of the Energy Operation and Construction Management Committee, Director of the Project Management Center, and General Manager of the New Energy Engineering Construction Company. He has served as a Vice President of the Company since September 2023.
Fan Ye	From January 2008 to January 2011, he served as a Product Manager at Sany Electric. From January 2011 to November 2014, he served as the Deputy Chief Engineer of System Design at Guodian United Power Technology Co., Ltd. Since November 2014, he has successively served as the Company's Assistant to the President, Chief Marketing Officer, Business Vice President, General Manager of the Marketing Headquarters, Deputy General Manager of Mingyang International Energy Co., Ltd., General Manager of the Marketing and Solutions Department, Director of the Innovation and

	Product R&D Center, and General Manager of the Marketing and Smart Energy Solutions Center. He has served as a Vice President of the Company since September 2023.
Chengkui Wang	He started his career in 2004 and successively served as a Technician at Huaihai Industry Group Co., Ltd., a Technician and Deputy Director at The People's Liberation Army of China No. 5720 Factory, and the Director of the Board Office and Securities Affairs Representative at Anhui Chujiang New Materials Co., Ltd. From June 2016 to July 2021, he successively served as the Secretary to the Chairman, Manager of the Securities Affairs Department, Human Resources Director, Deputy General Manager, and Board Secretary at Gotion High-tech Co., Ltd. From September 2021 to August 2024, he served as the Board Secretary and Chief Strategy Officer at Tianjin EV Energies Co., Ltd. He served as the Company's Capital Market Director in August 2024. He has served as the Company's Vice President and Board Secretary since October 2024.

Other explanations

Applicable N/A**(II) Positions held by current and departed directors and senior officers during the reporting period****1. Positions held in shareholder entities**Applicable N/A

Name of director/senior officer	Name of the shareholder entity	Position held in the shareholder entity	Start date of term	End date of term
Chuanwei Zhang	Mingyang New Energy Investment Holding Group Co., Ltd.	Executive Director	September 12, 2007	To present
	First Base Investments Limited	Director	April 8, 2010	To present
	Wiser Tyson Investment Corp Limited	Director	October 16, 2018	To present
	Keycorp Limited	Director	April 8, 2010	To present
	Zhongshan Ruixin Enterprise Management Consulting Partnership (Limited Partnership)	Executive Partner	December 15, 2016	To present
	Beihai Ruiyue Venture Capital Co., Ltd.	Executive Director	December 24, 2015	To present
Jinfa Wang	Mingyang New Energy Investment Holding Group Co., Ltd.	Manager	December 15, 2023	To present
Rui Zhang	Mingyang New Energy Investment Holding Group Co., Ltd.	Supervisor	September 12, 2007	To present
	Beihai Ruiyue Venture Capital Co., Ltd.	Supervisor	December 24, 2015	To present
Chao Zhang	Beihai Ruiyue Venture Capital Co., Ltd.	Manager	December 24, 2015	To present
Explanation of positions held in shareholder entities	N/A			

## 2. Positions held in other entities

√Applicable □N/A

Name of director/senior officer	Name of other entity	Position held in other entity	Start date of term	End date of term
Chuanwei Zhang	Tianjin Mingyang Enterprise Management Consulting Co., Ltd.	Chairman	March 11, 2008	March 14, 2025
	Huayang Changqing Investment Co., Ltd.	Executive Director	July 18, 2013	To present
	Zhongshan Mingyang Electrical Appliances Co., Ltd.	Executive Director	January 23, 1995	To present
	Zhongshan Zhichuang Technology Investment Management Co., Ltd.	Chairman	December 17, 2007	To present
	Zhongshan Bozhong Kexin New Energy Management Consulting Co., Ltd.	Executive Director	December 12, 2017	To present
	Guangdong Mingyang Electric Co., Ltd.	Chairman	January 3, 2020	To present
	Beijing Mingyang Hydrogen Energy Technology Co., Ltd.	Chairman	August 8, 2023	To present
	China Ming Yang Wind Power Group Limited	Director	January 28, 2010	To present
	Mingyang Wind Power Investment Holding (Tianjin) Co., Ltd.	Executive Director	October 29, 2010	To present
	Zhongshan Ruijin New Energy Investment Development Co., Ltd.	Executive Director, Manager, and Head of Finance	January 20, 2022	To present
	First Windy Investment Corp.	Director	April 25, 2008	To present
	Rich Wind Energy Three Corp	Director	October 16, 2018	To present
	Rich Wind Energy Two Corp.	Director	April 8, 2010	To present
	Tech Sino Limited	Director	April 8, 2010	February 14, 2025
Jinfa Wang	Zhongshan Zhichuang Technology Investment Management Co., Ltd.	Director	December 17, 2007	To present
	Zhejiang Huayun Ocean Engineering Technology Service Co., Ltd.	Director	March 18, 2014	To present
	Huayang Changqing Investment Co., Ltd.	Supervisor	July 18, 2013	To present
	Zhongshan Lianhe Kechuang New Energy Management Consulting Co., Ltd.	Executive Director	December 16, 2016	To present
Limin Wang	Heilongjiang New Industry Investment Group Co., Ltd.	Director	January 23, 2026	To present

Rui Zhang	Zhongshan Zhichuang Technology Investment Management Co., Ltd.	Supervisor	December 17, 2007	To present
	Zhongshan Ruijin New Energy Investment Development Co., Ltd.	Supervisor	January 20, 2022	To present
	Hainan Ruixufeng Castor Seed Industry Technology Co., Ltd.	Executive Director	July 27, 2023	To present
	CNOOC (Orient) Energy Co., Ltd.	Director	September 11, 2025	To present
Chao Zhang	Tianjin Mingyang Enterprise Management Consulting Co., Ltd.	Executive Director	March 14, 2025	To present
	Jiuhua Jiye (Beijing) Technology Development Co., Ltd.	Chairman, Manager	June 30, 2017	To present
	Jiuhua Technology Development Co., Ltd.	Executive Director, Manager	June 30, 2017	To present
	Zhongshan Taiyang Kehui Industrial Co., Ltd.	Manager	July 13, 2017	To present
	Zhongshan Ruixin Intelligent Control System Co., Ltd.	Director	December 7, 2017	March 23, 2025
	Zhongshan Zhichuang Technology Investment Management Co., Ltd.	General Manager	January 9, 2018	To present
	Zhongshan Bozhong Kexin New Energy Management Consulting Co., Ltd.	Manager	December 16, 2016	To present
	Zhaoming Baige (Tianjin) Investment Management Co., Ltd.	Executive Director, Manager	August 21, 2025	To present
	Zhongshan Lianhe Kechuang New Energy Management Consulting Co., Ltd.	Manager	December 16, 2016	To present
	Henan Huayang Changqing Lubricating Oil Technology Co., Ltd.	Executive Director, General Manager	January 18, 2016	To present
	Neimenggu Ming Yang Wind Power Co., Ltd.	Executive Director	January 26, 2016	To present
	Uniwatt Technology Co., Ltd.	Chairman	October 22, 2018	To present
	Guangdong Mingyang Ruide Venture Capital Co., Ltd.	Executive Director, Manager	November 28, 2011	To present
	Zhongshan Mingyang Electrical Appliances Co., Ltd.	Supervisor	July 24, 2020	To present
	Guangdong Mingyang Electric Co., Ltd.	Director	August 24, 2023	To present
	Tech Sino Limited	Director	April 8, 2010	February 14, 2025
Nice June Limited	Director	June 9, 2017	To present	

	Henan Mingzhi Real Estate Co., Ltd.	Executive Director, General Manager	December 23, 2019	To present
	Zhongshan Xingdi Technology Investment Co., Ltd.	Executive Director, Manager	August 3, 2022	To present
	Guangdong Yuecai Financial Leasing Co., Ltd.	Director	May 27, 2022	To present
	Guangdong Liwan Venture Capital Management Co., Ltd.	Director	February 23, 2022	To present
Dawei Zhang	Guangdong Hengkuo Investment Co., Ltd.	General Manager	September 3, 2020	April 27, 2025
	Guangdong Zhongmin Investment Holding Co., Ltd.	Director	June 17, 2015	August 20, 2025
	Guangdong Fenghua Advanced Technology Holding Co., Ltd.	Director	August 25, 2022	August 20, 2025
	Guangdong Hengjiahe Investment Partnership (Limited Partnership)	Executive Partner (designated representative)	March 24, 2022	To present
Maoliang Lin	Guangdong Hengkuo Investment Co., Ltd.	General Manager	June 30, 2025	To present
	EAST Group Co., Ltd.	Director	November 22, 2023	To present
	Dirui Industrial Co., Ltd.	Director	September 8, 2023	August 7, 2025
	Everbright Securities Company Limited	Supervisor	May 28, 2024	July 29, 2025
	Guangdong Hengjian International Investment Co., Ltd.	Director, General Manager	August 8, 2024	June 30, 2025
Tao Zhu	BTR New Material Group Co., Ltd.	Independent Director	August 1, 2022	To present
Ying Liu	Improve Medical Instruments Co., Ltd.	Independent Director	June 21, 2023	To present
	Guangdong Guangzhou Daily Media Co., Ltd.	Independent Director	August 15, 2025	To present
Shaobin Shi	Guangdong Beiyong Fund Management Co., Ltd.	Executive Director and Manager	October 17, 2022	To present
	Guangzhou Yihe Health Industry Development Co., Ltd.	Executive Director	February 27, 2020	To present
	Guangzhou Beiyong Enterprise Management Consulting Co., Ltd.	Executive Director and Manager	February 20, 2020	To present
	Guangzhou Renzhimu Biotechnology Co., Ltd.	Supervisor	May 17, 2017	To present
	Guangzhou Beixu Technology Co., Ltd.	Supervisor	February 20, 2020	To present
	Beiyong Junrong (Guangzhou) Investment Partnership (Limited Partnership)	Designated Representative	April 18, 2023	December 28, 2025
	Southern Packaging Group Limited	Chief Executive Officer	January 13, 2025	To present
	Beitai (Guangzhou) Investment Partnership (Limited Partnership)	Designated Representative	December 10, 2024	To present
Rongchang Wang	Guangzhou S.P.I Design Co., Ltd.	Independent Director	February 14, 2023	To present

	Shenzhen Chuangxin Laser Co., Ltd.	Independent Director	December 10, 2023	To present
Caifa Liang	Zhongshan Bozhong Kexin New Energy Management Consulting Co., Ltd.	Supervisor	December 16, 2016	To present
Dongdong Wang	Southern Offshore Wind Power Joint Development Co., Ltd.	Director	January 18, 2023	To present
Liu Jianjun	Beijing Kaiwu Changsheng Investment Management Co., Ltd.	Director	January 23, 2015	To present
	Guangdong Mingyang Electric Co., Ltd.	Director	December 27, 2024	To present
	Guangdong Yuecai Financial Leasing Co., Ltd.	Director	November 6, 2019	To present
	Jiuhua Jiye (Beijing) Technology Development Co., Ltd.	Director	June 17, 2015	To present
	Huaneng Mingyang New Energy Investment Co., Ltd.	Director	December 11, 2015	To present
Lingna Yi	Guangdong Dongfang Shengshi Renewable Energy Industry Fund Management Co., Ltd.	Supervisor	November 8, 2013	To present
	Jiuhua Jiye (Beijing) Technology Development Co., Ltd.	Director	June 17, 2015	To present
	Zhongshan Lianhe Kechuang New Energy Management Consulting Co., Ltd.	Supervisor	December 16, 2016	To present
Bing Han	Uniwatt Technology Co., Ltd.	Supervisor	August 27, 2015	To present
	Guangdong Ruiying Energy Development Co., Ltd.	Director	December 16, 2021	May 8, 2025
Fan Ye	CNOOC (Orient) Energy Co., Ltd.	Director	September 11, 2025	To present
	Three Gorges New Energy (Phoenix) Power Generation Co., Ltd.	Director	December 30, 2022	To present
Explanation of positions held in other entities	N/A			

**(III) Remuneration of directors and senior officers**√Applicable N/A

Decision-making process for the remuneration of directors and senior officers	The remuneration of the Company's directors is determined by the Shareholders' Meeting. The remuneration of the Company's senior officers is determined by the Company's Board and explained to the Shareholders' Meeting.
Whether directors recuse themselves from the Board discussions concerning their own remuneration	Yes
Specific recommendations on the remuneration of directors and senior officers issued by the Remuneration and Assessment Committee or a special meeting of independent directors	The 11th meeting of the Remuneration and Assessment Committee of the third Board of the Company deliberated on and approved the Proposal on the 2025 Remuneration of Non-Independent Directors, the Proposal on the 2025 Remuneration of Independent Directors, and the Proposal on the 2025 Remuneration of Senior Officers.
Basis for determining the remuneration of directors and senior officers	The remuneration of the Company's directors and senior officers is aligned with market development and coordinated with the Company's sustainable development. It is determined in accordance with the Company's remuneration management system for directors and senior officers, taking into account factors such as industry remuneration levels, annual operating performance, and individual performance.
Actual remuneration paid to directors and senior officers	During the reporting period, no director allowances were paid to any directors other than independent directors. For details on the actual remuneration paid to the Company's directors and senior officers during the reporting period, please refer to "Shareholding changes and remuneration of current and departed directors and senior officers during the reporting period" in this Section.
Total actual remuneration received by all directors and senior officers at the end of the reporting period	RMB 32.8961 million (including remuneration for directors and senior officers who departed/were appointed/elected during the reporting period)
Basis for assessment of and actual remuneration received by all directors and senior officers at the end of the reporting period	The remuneration of the Company's directors and senior officers was determined in accordance with the Company's relevant remuneration management system and was linked to the Company's annual operating performance, the fulfillment of individual job responsibilities, and the results of annual performance assessment. The performance assessment was strictly organized and implemented in accordance with the Company's relevant systems.
Deferred payment arrangements for actual remuneration received by all directors and senior officers at the end of the reporting period	During the reporting period, there was no deferred payment for the actual remuneration received by directors and senior officers. In accordance with relevant national laws, regulations, the Articles of Association, and the Implementing Rules of the Remuneration and Assessment Committee of the Board, and in combination with the Company's actual situation, the Company formulated the Remuneration Management System for Directors and Senior Officers to specify the payment and management arrangements for remuneration. The Remuneration Management System for Directors and Senior Officers was deliberated, approved, and became effective at the first extraordinary Shareholders' Meeting of

	2026 held on January 19, 2026.
Clawback of actual remuneration received by all directors and senior officers at the end of the reporting period	During the reporting period, the relevant provisions did not apply to the director allowances received by independent directors; and there were no clawback arrangements for the remuneration of non-independent directors and senior officers.

**(IV) Changes in the Company's directors and senior officers**√Applicable N/A

Name	Position held	Nature of change	Reason for change
Meng Fang	Chief Financial Officer	Appointment	
Caifa Liang	Chief Financial Officer	Departure	Work transfer
Changxin Ge	Vice Chairman	Departure	Personal reasons
Jinfa Wang	Director	Departure	Retirement
Chao Zhang	Director	Election	
Dawei Zhang	Director	Departure	Retirement
Maoliang Lin	Director	Election	
Lianyu Liu	President of Energy Services Business Line	Departure	Retirement
Limin Wang	Employee Representative Director	Election	

Note: based on business optimization and organizational restructuring, the Company held the 22nd meeting of the third Board on August 14, 2025, at which it deliberated on and approved the Proposal on Adjusting the Positions of Some Senior Officers, whereby Mr. Qiyong Zhang's position was adjusted to Business President; mr. Rui Zhang's position was adjusted to Vice President; mr. Dongdong Wang's position was adjusted to Vice President.

**(V) Explanation of penalties from securities regulatory authorities in the last three years**Applicable N/A**(VI) Others**Applicable N/A**IV. Performance of duties by directors****(I) Attendance of directors at the Board meetings and Shareholders' Meetings**

Director Name	Whether an independent director	Attendance at the Board meetings						Attendance at Shareholders' Meetings
		Number of the Board meetings required to attend this year	Number of meetings attended in person	Number of meetings attended by telecommunication	Number of attendances by proxy	Number of absences	Whether absent from two consecutive meetings in person	Number of attendances at Shareholders' Meetings
Chuanwei Zhang	No	13	13	0	0	0	No	1
Qiyi Zhang	No	13	13	0	0	0	No	2
Limin Wang	No	5	5	0	0	0	No	1
Rui Zhang	No	13	13	0	0	0	No	0
Chao Zhang	No	5	5	0	0	0	No	0
Yuanfeng Fan	No	13	13	0	0	0	No	3
Maoliang Lin	No	5	5	5	0	0	No	1
Tao Zhu	Yes	13	13	13	0	0	No	3
Ying Liu	Yes	13	13	13	0	0	No	4
Shaobin Shi	Yes	13	13	13	0	0	No	4
Rongchang Wang	Yes	13	13	13	0	0	No	4
Changxin Ge	No	7	7	0	0	0	No	2
Jinfa Wang	No	6	6	0	0	0	No	1
Dawei Zhang	No	6	5	5	0	1	No	1

Explanation for failure to attend two consecutive Board meetings in person

Applicable N/A

Number of the Board meetings held during the year	13
Including: number of on-site meetings	0
Number of meetings held by telecommunication	0
Number of meetings held on-site and by telecommunication	13

**(II) Directors' objections on relevant matters of the Company**

Applicable N/A

**(III) Others**

□Applicable √N/A

**V. Special committees under the Board**

√Applicable □N/A

**(I) Members of the special committees under the Board**

Type of special committee	Names of members
Audit Committee	Audit Committee of the third Board: Tao Zhu, Yuanfeng Fan, Rongchang Wang
Nomination Committee	Nomination Committee of the third Board: Ying Liu, Qiyong Zhang, Tao Zhu
Remuneration and Assessment Committee	Remuneration and Assessment Committee of the third Board: Rongchang Wang, Limin Wang, Shaobin Shi
Strategy Committee	Strategy Committee of the third Board: Chuanwei Zhang, Shaobin Shi, Ying Liu

**(II) During the reporting period, the Audit Committee held eight meetings**

Date of meeting	Content of meeting	Important opinions and suggestions	Other performance of duties
January 24, 2025	Deliberated on and approved the Proposal on the Change of Chief Financial Officer.	No objection	None
March 26, 2025	Deliberated on and approved the Proposal on the Estimated Amount of Daily Related-Party Transactions of the Company for 2025.	No objection	None
April 24, 2025	Deliberated on and approved the 2024 Annual Performance Report of the Board's Audit Committee, 2024 Annual Report and its Summary, Proposal on the 2024 Annual Profit Distribution Plan, 2024 Annual Internal Control Evaluation Report, 2024 Annual Final Financial Report, Special Report on the Deposit and Actual Use of Raised Funds for 2024, Proposal on the Estimated Amount of External Guarantees from the Company for 2025, Proposal on the Estimated Credit Line Application by the Company to Financial Institutions for 2025, and 2025 First Quarterly Report.	No objection	None
August 14, 2025	Deliberated on and approved the Proposal on Revising the Internal Audit System.	No objection	None
August 26, 2025	Deliberated on and approved the 2025 Semi-Annual Report and its Summary and the Special Report on the Deposit, Management, and Actual Use of Raised Funds for the First Half of 2025.	No objection	None
September 25, 2025	Deliberated on and approved the Proposal on the Engagement of an Accounting Firm.	No objection	None
October 29, 2025	Deliberated on and approved the 2025 Third Quarterly Report.	No objection	None
December 23, 2025	Deliberated on and approved the Proposal on Adjusting the Implementation Schedule of Certain Fund-Raising Investment Projects.	No objection	None

**(III) During the reporting period, the Nomination Committee held three meetings**

Date of meeting	Content of meeting	Important opinions and suggestions	Other performance of duties
January 24, 2025	Deliberated on and approved the Proposal on the Change of Chief Financial Officer.	No objection	None
August 14, 2025	Deliberated on and approved the Proposal on the Election of Non-Independent Director Candidates for the Third Board and the Proposal on the Election of Audit Committee Members.	No objection	None
September 25, 2025	Deliberated on and approved the Proposal on the Election of Remuneration and Assessment Committee Members.	No objection	None

**(IV) During the reporting period, the Remuneration and Assessment Committee held four meetings**

Date of meeting	Content of meeting	Important opinions and suggestions	Other performance of duties
April 24, 2025	Deliberated on and approved the Proposal on the 2024 Remuneration of Non-Independent Directors, the Proposal on the 2024 Remuneration of Independent Directors, and the Proposal on the 2024 Remuneration of Senior Officers.	No objection	None
September 25, 2025	Deliberated on and approved the Proposal on the Company's 2025 Stock Option Incentive Plan (Draft) and its Summary, the Proposal on the Company's Administrative Measures for the Implementation Assessment of 2025 Stock Option Incentive Plan, the Proposal on the 2025 Employee Stock Ownership Plan (Draft) and its Summary, and the Proposal on the Administrative Measures for 2025 Employee Stock Ownership Plan of the Company.	No objection	None
October 22, 2025	Deliberated on and approved the Proposal on Granting Stock Options to Incentive Recipients of the 2025 Stock Option Incentive Plan.	No objection	None
December 23, 2025	Deliberated on and approved the Proposal on Formulating the Remuneration Management System for Directors and Senior Officers and the Proposal on Revising the Implementing Rules of the Remuneration and Assessment Committee of the Board.	No objection	None

**(V) Details of matters with objections**

Applicable N/A

**VI. Explanation of risks identified by the Audit Committee in the Company**

Applicable N/A

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

## VII. Employee information of the parent company and major subsidiaries at the end of the reporting period

### (I) Employee information

Number of active employees of the parent company	11,982
Number of active employees of major subsidiaries	1,877
Total number of active employees	13,859
Number of retirees for whom the parent company and major subsidiaries are responsible for expenses	46
Professional composition	
Category	Number of employees
Production personnel	4,762
Sales personnel	710
Technical personnel	2,248
Financial personnel	343
Administrative personnel	2,172
Operation and maintenance personnel	3,624
Total	13,859
Educational background	
Category	Number of employees
Junior college or below	7,881
Bachelor's degree	4,507
Postgraduate or above	1,471
Total	13,859

### (II) Remuneration policy

√Applicable N/A

According to the Company's Administrative Measures for Remuneration, the Company's remuneration strategy is to be "internally fair and externally competitive". The Company's remuneration distribution is based on "post, performance, and capability", while also providing competitive remuneration for employees by considering industry salary levels and the actual supply and demand in the talent market. An annual salary system is adopted for middle and senior management. A monthly salary system is adopted for administrative/business/technical personnel; workshop production personnel are paid on a piece-rate basis. Employee remuneration consists of standard salary, post allowance, skill-based salary, performance bonus, over-production bonus, special bonus, overtime pay, benefits, social security, and housing provident fund. The standard salary is composed of post salary, position salary, etc. Post salary is determined by the importance of the post (post grade), with different salary ranges for different post grades within the same rank. Position salary is determined by the employee's competency level (rank), with different salary ranges for different ranks within the same post grade. Performance bonus is determined by the employee's work performance and results, and is divided into monthly, quarterly, semi-annual, and annual performance bonuses according to the assessment cycle. Post allowance is determined by national occupational health and safety requirements and the special conditions of the employee's work environment (such as dust prevention allowance). To reinforce a skills-oriented approach, the Company has established a remuneration system corresponding to skill levels. After issuing vocational skill level certificates, the Company provides salary and benefits corresponding to those levels. Overtime pay is the extra payment for overtime hours worked by employees, calculated in accordance with national laws and the Company's attendance regulations. Over-production bonus refers to the bonus paid to front-line employees when they exceed their production quotas. Special bonus is paid based on project initiation plans or specific reward systems after assessment or acceptance (such as a new product R&D award or a patent award).

**(III) Training plan**√Applicable N/A

As the core vehicle for the Company's talent strategy and the platform for building the internal talent supply chain, Mingyang Academy is deeply anchored in the Company's strategic development plan. It focuses on the full life-cycle cultivation of talent pipelines for key positions, constructing an endogenous cultivation model for horizontal replication and vertical spillover of talent. It continuously optimizes the talent competency evaluation system, integrates rank development with the growth paths of versatile talent, and positions itself as an "ecosystem creator for executive pipeline spillover, an empowering contributor to key position advancement, and a platform builder for the emergence of internal talent," comprehensively supporting the Company's organizational transformation and high-quality development.

The Academy has established three top-level pillars: a "training system + talent emergence mechanism + support system." With the Cadre College, Business College, and Craftsman College as its core implementation vehicles, it promotes talent cultivation in a stratified and categorized manner: the Cadre College focuses on leadership development, building a tiered reserve of future leaders; the Business College empowers talent around six major professional systems, accelerating the advancement of core personnel's capabilities; the Craftsman College focuses on cultivating highly skilled talent, setting industry skill benchmarks, and deepening the industry-education integration ecosystem.

The Academy comprehensively utilizes diverse methods such as classroom training, action learning, on-the-job training, and skill competitions throughout the entire talent cultivation process, emphasizing the "integration of learning and application." It fosters an atmosphere for the proactive emergence of talent through talent scout incentives and benchmark leadership, driving the construction of the Company's talent supply chain and the achievement of business performance, thus becoming a strong support for strategy implementation.

In 2025, the Company invested over RMB 7 million in employee training funds, had nearly 500 trainers, held nearly 8,000 training sessions, and delivered over 600,000 hours of online and offline instruction. The Company will continue to increase investment, deepen the "centralized management by headquarters, hierarchical implementation" operational mechanism, and provide employees with systematic learning opportunities by integrating internal and external resources and combining industry, education, and evaluation, thereby building a talent moat to support the Company's long-term development.

**(IV) Labor outsourcing**√Applicable N/A

Total working hours of labor outsourcing (hours)	17,886,782
Total compensation paid for labor outsourcing (RMB 10,000)	61,686.27

**VIII. Proposal for profit distribution or conversion of capital reserve to share capital****(I) Formulation, execution, or adjustment of the cash dividend policy**√Applicable N/A**1. Formulation of the profit distribution policy****(1) Provisions on the profit distribution policy in the Articles of Association**

The Company held the sixth meeting of the first Board on December 25, 2017 and the first extraordinary general meeting of 2018 on January 10, 2018, respectively, at which the Articles of Association (Draft) was deliberated and approved. It stipulated the basic principles, specific policies, deliberation procedures, implementation, and changes of the Company's profit distribution policy.

On August 26, 2019 and September 16, 2019, the Company held the 25th meeting of the first Board and the third extraordinary general meeting of 2019, respectively, at which the proposal on amending the relevant clauses on profit distribution in the Articles of Association was deliberated and approved.

On August 14, 2025 and September 9, 2025, the Company held the 22nd meeting of the third Board and the second extraordinary general meeting of 2025, respectively, at which the proposal on amending the relevant clauses on profit distribution in the Articles of Association was deliberated and approved.

(2) Specific provisions on the profit distribution plan

The Company held the 19th meeting of the third Board on April 24, 2025, at which the Proposal on the Company's Shareholder Return Plan for the Next Three Years (2024-2026) was deliberated and approved. Except for the circumstances where profit distribution may not be made as stipulated in the Articles of Association, the Company will distribute dividends in cash when it is profitable in the current year and the cumulative undistributed profit is positive, with the profit distributed in cash each year being no less than 10% of the distributable profit realized in that year. On the basis of ensuring a 10% cash dividend distribution, the Board may, in light of the Company's actual situation, separately add proposals for stock dividend distribution and conversion of capital reserve.

The above plan is formulated in accordance with the Articles of Association and relevant laws and regulations, fully taking into account the demands and interests of shareholders, especially minority investors. It makes institutional arrangements for dividend distribution on the premise of ensuring the Company's normal operation and rapid development, so as to ensure the continuity and stability of the dividend distribution policy.

**2. Decision-making mechanism and deliberation procedure for profit distribution**

A. The Company's profit distribution plan shall be prepared by the management and submitted to the Company's Board for deliberation. The Board shall fully discuss the reasonableness of the profit distribution plan and submit it to the Shareholders' Meeting for deliberation after forming a special resolution. When deliberating on the profit distribution plan, the Company shall provide online voting for shareholders.

B. If the Company does not distribute profits due to special circumstances stipulated in the Articles of Association, the Board shall provide a special explanation on matters such as the specific reasons for not distributing profits, the exact use of the Company's retained earnings, and the expected investment returns. This is deliberated at the Shareholders' Meeting and disclosed in the media designated by the Company.

C. When formulating a specific profit distribution plan, the Board shall carefully study and justify matters such as the timing, conditions, and minimum ratio of the Company's profit distribution, as well as the conditions for adjustment and its decision-making procedure requirements. If independent directors believe that the specific profit distribution plan may harm the interests of the Company or its minority shareholders, they have the right to express their independent opinions.

D. Before the Shareholders' Meeting deliberates on the specific cash dividend plan, the Company shall proactively communicate and exchange information with shareholders, especially minority shareholders, through various channels, fully consider opinions and demands of minority shareholders, and promptly respond to their concerns.

E. The Company may adjust its profit distribution policy in the event of force majeure such as war or natural disasters, or when changes in the external business environment have a significant impact on the Company's production and operation, or when the Company's own operating conditions change significantly. When adjusting its profit distribution policy, the Company shall prioritize shareholder interests, focus on protecting investor interests and providing stable returns to investors. The Board shall fully justify the adjustment and seek input from public investors. After the proposal to adjust the profit distribution policy is deliberated and approved by the Board, it shall be submitted to the Shareholders' Meeting for deliberation and approval. The proposal to adjust the profit distribution policy must be approved by more than two-thirds of the voting rights held by the shareholders present at the Shareholders' Meeting.

**3. Execution of the profit distribution policy**

**(1) Execution of the 2024 profit distribution proposal**

During the reporting period, the Proposal on the 2024 Profit Distribution Plan was deliberated and

approved at the 19th meeting of the third Board and the 2024 annual general meeting. The Company intended to distribute a cash dividend of RMB 3.0410 (tax inclusive) per 10 shares to all shareholders, based on the total share capital registered on the record date for distribution, after deducting the shares in the Company's repurchase account. The number of shares actually involved in this cash distribution was 2,150,376,722, with a total cash dividend of RMB 653,929,561.16 (tax inclusive) distributed. The above profit distribution plan has been fully implemented.

**(2) 2025 profit distribution proposal**

The Company plans to distribute a cash dividend of RMB 0.185 (tax inclusive) per share to all shareholders. As of April 27, 2026 (the deliberation date of the Board meeting), the Company's total share capital is 2,261,496,706 shares. After deducting the 101,329,984 shares in the Company's repurchase account, the number of shares eligible for this profit distribution is 2,160,166,722 shares. Based on this, the total proposed cash dividend is RMB 399,630,843.57 (tax inclusive). During the current year, the amount of share repurchases implemented through centralized bidding with cash consideration was RMB 0. The total amount of cash dividends and repurchases was RMB 399,630,843.57 (tax inclusive), accounting for 60.56% of the net profit attributable to shareholders of the Listed Company for the current year. Specifically, the amount of share repurchases for cancellation through centralized bidding with cash consideration (hereinafter referred to as "repurchase and cancellation") is RMB 111,341,812.18. The total amount of cash dividends, repurchase and cancellation is RMB 510,972,655.75 (tax inclusive), accounting for 77.43% of the net profit attributable to shareholders of the Listed Company for this year.

There will be no bonus issue or conversion of capital reserve to share capital this year.

If, during the period from the disclosure date of this Report to the record date for the equity distribution, the Company's total share capital changes due to factors such as convertible bond conversion, share repurchase, repurchase and cancellation of shares issued under equity incentive plans, or repurchase and cancellation of shares in connection with major asset restructuring, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution amount accordingly. The Company will announce the specific adjustments separately.

This profit distribution plan is still subject to deliberation at the 2025 Annual Shareholders' Meeting.

**(II) Special explanation on the cash dividend policy**

Applicable N/A

Whether it complies with the provisions of the Articles of Association or the resolutions of the Shareholders' Meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the dividend standards and ratios are definite and clear	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether independent directors have fulfilled their duties and played their due role	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether minority shareholders have sufficient opportunities to express their opinions and demands, and whether their legitimate rights and interests have been fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**(III) If the Company is profitable during the reporting period and its parent company's distributable profit to shareholders is positive, but no cash dividend distribution proposal is put forward, the Company shall disclose in detail the reasons and the use and plan for the undistributed profits**

Applicable N/A

**(IV) Proposal for profit distribution and conversion of capital reserve to share capital for this reporting period**

Applicable N/A

Unit: RMB Currency: RMB

Number of bonus shares per 10 shares (shares)	0
Dividend per 10 shares (RMB) (tax inclusive)	1.85
Number of shares converted from capital reserve per 10 shares (shares)	0
Cash dividend amount (tax inclusive)	399,630,843.57
Net profit attributable to ordinary shareholders of the Listed Company in the consolidated statements	659,873,732.73
Ratio of cash dividend amount to net profit attributable to ordinary shareholders of the Listed Company in the consolidated statements (%)	60.56
Amount of share repurchase by cash recognized as cash dividends	0
Total dividend amount (tax inclusive)	399,630,843.57
Ratio of total dividend amount to net profit attributable to ordinary shareholders of the Listed Company in the consolidated statements (%)	60.56

**(V) Cash dividend distribution in the last three accounting years**√Applicable N/A

Unit: RMB Currency: RMB

Cumulative cash dividend amount in the last three accounting years (tax inclusive) (1)	1,707,519,615.64
Cumulative amount of repurchase and cancellation in the last three accounting years (2)	111,341,812.18
Cumulative amount of cash dividends, repurchase and cancellation in the last three accounting years (3)=(1)+(2)	1,818,861,427.82
Average annual net profit amount in the last three accounting years (4)	460,903,451.50
Cash dividend ratio in the last three accounting years (%) (5)=(3)/(4)	394.63
Net profit attributable to ordinary shareholders of the Listed Company in the consolidated statements for the last accounting year	659,873,732.73
Undistributed profit at the end of the year in the parent company's financial statements for the last accounting year	4,870,457,521.64

**IX. The Company's equity incentive plans, ESOP or other employee incentive measures and their impact****(I) Related incentive matters that have been disclosed in interim announcements and involve no progress or changes in subsequent implementation**√Applicable N/A

## Overview of the matter

On October 21, 2024, the 14th meeting of the third Board of Directors and the 9th meeting of the third Board of Supervisors of the Company deliberated on and approved the Proposal on the Fulfillment of Conditions for the Release of Restrictions on the Fourth Tranche of the First Grant and the Third Tranche of the Reserved Grant under the 2019 Restricted Stock Incentive Plan and the Proposal on the Repurchase and Cancellation of Restricted Stock Granted but Not Yet Released from Restrictions Held by Part of the Incentive Recipients under the 2019 Restricted Stock Incentive Plan, and agreed to (1) handle the procedures for the release of restrictions with respect to 5,287,600 restricted shares held by 195 incentive recipients of the first grant and 2,111,200 restricted shares held by 93 incentive recipients of the reserved grant who met the conditions for the release of restrictions. The above-mentioned shares were listed for trading on November 4, 2024. (2) The Company shall repurchase and cancel 97,500 restricted shares that have been granted but not yet released from restrictions held by six incentive

<p>recipients who resigned for personal reasons or failed performance assessment. The cancellation of the above-mentioned shares was completed on January 16, 2025. Upon completion of this repurchase and cancellation, there are 0 remaining restricted shares under the 2019 equity incentive, and the implementation of this stock incentive plan is completed.</p>
<p>On September 25, 2025, the 24th meeting of the third Board of the Company deliberated on and approved (1) the Proposal on the Company's 2025 Stock Option Incentive Plan (Draft) and its Summary and its related proposals such as the assessment and administrative measures, and agreed that the Company would grant 20 million stock options to 260 incentive recipients at an exercise price of RMB 14.03 per share; (2) the Proposal on the 2025 Employee Stock Ownership Plan (Draft) and its Summary and its related proposals such as the Administrative Measures, agreeing to the establishment of the Company's ESOP with a total number of participants not exceeding 110, and the number of underlying shares to be held not exceeding 10 million shares. The stock source was the shares from the Company's dedicated securities account for repurchase. The purchase price for the repurchased shares under the ESOP was RMB 7.02 per share. The above-mentioned related proposals were deliberated and approved at the Company's third extraordinary Shareholders' Meeting of 2025 held on October 20, 2025.</p>
<p>On October 22, 2025, the 25th meeting of the third Board of the Company deliberated on and approved the Proposal on Granting Stock Options to Incentive Recipients of the 2025 Stock Option Incentive Plan, and agreed to set October 22, 2025 as the grant date of the Incentive Plan, and to grant 20 million stock options to 260 incentive recipients.</p>
<p>Given that during the period from the stock option grant date (October 22, 2025) to the completion of the grant registration procedures, one incentive recipient voluntarily waived the proposed grant of stock options, the number of grants under this incentive plan was adjusted from 20 million options to 19.95 million options, and the number of incentive recipients was adjusted from 260 to 259. On December 1, 2025, the Company completed the relevant registration procedures with the China Securities Depository and Clearing Corporation Limited Shanghai Branch.</p>
<p>Based on the actual subscription by the participants and the final payment verification results, a total of 107 employees actually participated in and subscribed to the Company's ESOP. The subscription funds have been fully paid, with a final subscription of 9.79 million shares, a total subscription amount of RMB 68,725,800, and the number of shares corresponding to the subscription is 9.79 million shares. On December 26, 2025, the Company's shares held in the dedicated securities account for repurchase were transferred via non-trade transfer to the dedicated securities account for the "Ming Yang Smart Energy Group Limited - 2025 ESOP".</p>
<p>On March 31, 2026, the first Meeting of Holders of the 2025 ESOP deliberated on and approved the Proposal on Establishing the Management Committee of the 2025 ESOP, the Proposal on Electing Members of the Management Committee of the 2025 ESOP, and the Proposal on Authorizing the Management Committee of the 2025 ESOP to Handle Matters Related to the ESOP.</p>

## (II) Incentives not disclosed in interim announcements or with subsequent developments

Equity incentives

Applicable N/A

Other explanations:

Applicable N/A

ESOP

Applicable N/A

Other incentive measures

Applicable N/A

**(III) Equity incentives granted to directors and senior officers during the reporting period**

√Applicable □N/A

Unit: share

Name	Position	Number of stock options held at the beginning of the year	Number of stock options newly granted during the reporting period	Number of exercisable shares during the reporting period	Number of shares from stock option exercise during the reporting period	Exercise price of stock option (RMB)	Number of stock options held at the end of the period	Market price at the end of the reporting period (RMB)
Yuanfeng Fan	Director	-	200,000	-	-	14.03	200,000	2,896,000
Limin Wang	Employee Representative Director	-	250,000	-	-	14.03	250,000	3,620,000
Meng Fang	Chief Financial Officer	-	200,000	-	-	14.03	200,000	2,896,000
Dongdong Wang	Vice President	-	200,000	-	-	14.03	200,000	2,896,000
Liu Jianjun	Chief Risk Officer	-	200,000	-	-	14.03	200,000	2,896,000
Lingna Yi	Vice President	-	180,000	-	-	14.03	180,000	2,606,400
Bing Han	Vice President	-	200,000	-	-	14.03	200,000	2,896,000
Fan Ye	Vice President	-	150,000	-	-	14.03	150,000	2,172,000
Chengkui Wang	Vice President, Board Secretary	-	150,000	-	-	14.03	150,000	2,172,000
Total	/	-	1,730,000	-	-	/	1,730,000	/

As of the end of the reporting period, the shares held by directors and senior officers in the 2025 ESOP were as follows:

Unit: share

Name	Position	Number of underlying shares corresponding to the shares held in the ESOP	Proportion of held shares to the ESOP
Yuanfeng Fan	Director	200,000	2.04%
Limin Wang	Employee Representative Director	300,000	3.06%
Meng Fang	Chief Financial Officer	250,000	2.55%
Dongdong Wang	Vice President	250,000	2.55%
Liu Jianjun	Chief Risk Officer	200,000	2.04%
Lingna Yi	Vice President	200,000	2.04%
Bing Han	Vice President	200,000	2.04%
Fan Ye	Vice President	150,000	1.53%
Chengkui Wang	Vice President, Board Secretary	150,000	1.53%

Note: The above ratios are calculated based on the proportion of held shares relative to the total subscribed shares of the 2025 ESOP, i.e., 9.79 million shares.

**(IV) Evaluation and incentive mechanisms for senior officers: establishment and implementation during the reporting period**

Applicable N/A

The Company's Board has a Remuneration and Assessment Committee, which is responsible for reviewing the performance and remuneration of senior officers and providing opinions and suggestions in accordance with the provisions of the Implementing Rules of the Remuneration and Assessment Committee of the Board.

During the reporting period, the Company conducted a comprehensive performance assessment of its senior officers based on the senior officer remuneration plan and in conjunction with the achievement of annual business performance goals. On this basis, the Company fully stimulates the enthusiasm and creativity of its senior officers and further enhances management efficiency and decision-making quality through a multi-dimensional incentive mechanism that includes performance assessment, remuneration incentives, and career development planning. Meanwhile, the Company focuses on the long-term development of its senior management team and lays a solid foundation for the Company's long-term and stable development by continuously optimizing its incentive system.

In accordance with relevant laws, regulations, the Articles of Association, and the Implementing Rules of the Remuneration and Assessment Committee of the Board, and in combination with its actual situation, the Company has formulated the Remuneration Management System for Directors and Senior Officers to specify the assessment, payment, and management mechanisms for its senior officers. The above system was deliberated, approved, and became effective at the first extraordinary Shareholders' Meeting of 2026 held on January 19, 2026.

**X. Establishment and implementation of the internal control system during the reporting period**

Applicable N/A

The Company has established an internal control management system in strict accordance with the requirements of the CSRC, the Shanghai Stock Exchange, and laws and regulations such as the Company Law and the Articles of Association, while taking into account the Company's actual operations and industry conditions. During the reporting period, the Company continuously improved and refined its internal control-related systems to effectively enhance its standardized operation level and promote its healthy and sustainable development.

During the reporting period, the Company prepared the 2025 Annual Internal Control Evaluation Report of Ming Yang Smart Energy Group Limited based on the implementation of its internal controls.

Explanation of material deficiencies in internal control during the reporting period

Applicable N/A

**XI. Management and control of subsidiaries during the reporting period**

Applicable N/A

The Company granted corresponding authorization and approval for the business planning, financial management, investment and financing management, office administration, advertising and crisis management, government relations, intellectual property and brand management, related-party transactions, and human resources management of its subsidiaries at all levels through the Administrative Measures for Group Authorization and Approval, the Internal Audit System, the Management System for Controlled Subsidiaries, and other regulations, in order to manage and restrain its subsidiaries and ensure their standardized, orderly, and healthy development.

Newly established subsidiaries and companies included in the Company's consolidation scope through purchase, merger, or other means were subject to the same constraints of the Company's various internal management systems. The Company completed business integration by dispatching management and financial personnel from the Group; and required subsidiaries to accept the supervision of the Company's Internal Audit Department to ensure that their operations and development plans were subordinate to and served the Company's overall development strategy and master plan.

Risk warning of abnormal management and control of subsidiaries

Applicable N/A

### **XII. Explanations on the internal control audit report**

Applicable N/A

Ernst & Young Hua Ming LLP (Special General Partnership) audited the effectiveness of the Company's internal control over financial reporting and believes that the Company has maintained, in all material respects, effective internal control over financial reporting in accordance with the Basic Standard for Enterprise Internal Control and related regulations.

Whether to disclose the internal control audit report: Yes

Type of opinion in the internal control audit report: Standard unqualified opinion

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

Yes No

### **XIII. Rectification of issues found in the self-inspection of the special action on corporate governance of the Listed Company**

In accordance with the unified deployment of the Announcement on Carrying out Special Actions for the Governance of Listed Companies by the China Securities Regulatory Commission and the requirements of the Guangdong Regulatory Bureau of the China Securities Regulatory Commission, the Company conducted a serious and rigorous self-inspection item by item against the self-inspection checklist for the governance of listed companies, and found no situations requiring rectification.

#### XIV. Environmental information of the Listed Company and its major subsidiaries included in the list of enterprises for mandatory environmental information disclosure

√Applicable □N/A

Number of enterprises included in the list of enterprises for mandatory environmental information disclosure (enterprises)		6
No.	Enterprise name	Query index of environmental information disclosure report in accordance with the law
1	Henan Mingyang Smart Energy Co., Ltd.	Corporate Environmental Information Disclosure System in accordance with the Law (Henan): <a href="http://222.143.24.250:8247/home/home">http://222.143.24.250:8247/home/home</a>
2	Mingyang New Energy Material Technology (Xinyang) Co., Ltd.	Corporate Environmental Information Disclosure System in accordance with the Law (Henan): <a href="http://222.143.24.250:8247/home/home">http://222.143.24.250:8247/home/home</a>
3	Mingyang Smart (Ningxia) Wind Power Generation Co., Ltd.	Corporate Environmental Information Disclosure System in accordance with the Law (Ningxia) <a href="https://222.75.41.50:10958/">https://222.75.41.50:10958/</a>
4	Guangdong Mingyang New Energy Technology Co., Ltd.	Corporate Environmental Information Disclosure System in accordance with the Law (Guangdong): <a href="https://www-app.gdeei.cn/gdeepub/front/dal/report/list">https://www-app.gdeei.cn/gdeepub/front/dal/report/list</a>
5	Mingyang New Energy Material Technology (Baotou) Co., Ltd.	Corporate Environmental Information Disclosure System in accordance with the Law (Inner Mongolia): <a href="http://111.56.142.62:40010/yfpl/home">http://111.56.142.62:40010/yfpl/home</a>
6	Zhangjiakou Mingyang Smart Energy Co., Ltd.	Corporate Environmental Information Disclosure System in accordance with the Law (Zhangjiakou): <a href="http://121.29.48.71:8080/#/index">http://121.29.48.71:8080/#/index</a>

Other explanations

√Applicable □N/A

In accordance with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), the Company has provided a detailed disclosure in the 2025 Sustainability Report of Ming Yang Smart Energy Group Limited. regarding the identification, analysis and measures taken in response to climate-related risks and opportunities affecting its operations, specifically including an analysis of the governance, strategy, risk management, metrics, and targets related to climate risks.

**XV. Social responsibility work****(I) Whether to separately disclose a social responsibility report, sustainable development report, or ESG report**√Applicable N/A

For details, please refer to the 2025 Sustainability Report of Ming Yang Smart Energy Group Limited disclosed by the Company on the same day in the designated information disclosure media.

**(II) Specifics of social responsibility work**√Applicable N/A

External donations and public welfare projects	Quantity/Content	Explanations
Total investment (RMB 10,000)	1,872.96	Total donations for disaster relief in affected areas and public welfare projects
Including: funds (RMB 10,000)	1,872.96	
Value of materials (RMB 10,000)	-	
Number of beneficiaries (person)	41	

Specific description

√Applicable N/A

During the reporting period, the Company actively fulfilled its social responsibilities and carried out systematic practices focusing on key areas such as public welfare and charity, volunteer services, and disaster relief. The Company and its subsidiaries supported relevant public welfare undertakings with a total of RMB 8,724,000, and the cumulative amount of disaster relief donations reached RMB 10,005,600.

**1. Regional collaboration: deepening local co-construction and sharing**

Through its subsidiaries, the Company continuously promoted community integration, public service enhancement, and ecological co-construction in its operational areas. Specific practices during the reporting period include:

Community building: the subsidiary Shanwei Mingyang New Energy Technology Co., Ltd. donated RMB 91,700 to the renovation project of the cultural square in Lianhua Village, Jieshi Town, Lufeng City, to improve the public cultural facilities in the village and town. The subsidiary Guangdong Mingyang New Energy Technology Co., Ltd. donated RMB 400,000 to the Yangjiang Charity Federation to support the development of local public welfare undertakings. The subsidiary Tianjin Mingzhi Runyang Technology Co., Ltd. donated RMB 700,000 to the Hailing Island Economic Development Pilot Zone of Yangjiang to support cultural and sports activities such as marathon events, promoting regional public services and cultural construction.

Ecological co-construction: the subsidiary Guangdong Mingyang New Energy Technology Co., Ltd. organized afforestation activities, and Shanwei Mingyang New Energy Technology Co., Ltd. jointly carried out the "Afforestation and Green Lufeng" initiative with local units, supporting the concept of green development with practical actions.

## **2. Livelihood care: consolidating the foundation for inclusive development**

The Company continuously invested in educational support, livelihood security, and care for vulnerable groups, actively carrying out diverse public welfare practices.

Educational support: during the reporting period, the subsidiary Rushan Mingyang New Energy Technology Co., Ltd. actively participated in the "One-Day Charity Donation" campaign, donating RMB 200,000 specifically for public welfare causes such as assistance for major illnesses, financial aid for students in need taking the college entrance examination, and emergency relief. The subsidiary Guangdong Mingyang Longyuan Power Electronics Co., Ltd. donated RMB 50,000 to the Xi'an Jiaotong University Education Foundation to support the Power Generation Alumni Innovation Port Development Fund of the School of Electrical Engineering. In addition, the Company actively participated in the construction of educational infrastructure and the development of high-quality educational resources, supporting the "Mingyang School" project. The school was invested in and constructed by the local government, and the Company, leveraging its industrial advantages, participated in supporting the curriculum system and science and technology innovation education, promoting the integration of content such as artificial intelligence and green energy into teaching practices, providing high-quality educational resources for the local area, and helping to improve regional education quality and talent cultivation.

Community outreach: the subsidiary Qinghai Mingyang New Energy Co., Ltd. coordinated with the Delingha Forestry and Grassland Bureau to donate 200 cases of mineral water to frontline forestry and grassland management stations and patrol teams, helping staff cope with high temperatures and demonstrating the enterprise's care and support for ecological guardians. The subsidiary Xilingol League Mingyang New Energy Co., Ltd., in collaboration with the local general labor union, launched a "Government-Enterprise Joint Care" outreach event, providing winter supplies to long-distance truck drivers and spreading social warmth.

Volunteer services: the Company deeply fulfilled its social responsibilities through a regular volunteer service mechanism. During the reporting period, a total of 31 activities were carried out on themes such as respecting and caring for the elderly, creating a civilized city, and voluntary blood donation, covering 178 participants. The total service time of the Company's volunteer activities reached 1,192.8 hours, achieving a dual empowerment of social contribution and corporate culture development.

## **3. Responsibility and response: strengthening emergency rescue and support**

The Company pays close attention to sudden disasters and has established a rapid response mechanism to actively participate in post-disaster relief and social support. During the reporting period, in response to the fire incident at Wang Fuk Court in Tai Po, Hong Kong, the Company immediately donated HKD 10 million for post-disaster assistance and organized its Hong Kong-based units to carry out on-site volunteer services. At the same time, the Company initiated an employee donation campaign, raising HKD 1 million. The total donation amounted to approximately HKD 11 million (equivalent to RMB 10.0056 million), supporting the affected area in restoring production and normal life with practical actions and demonstrating the Company's sense of corporate responsibility.

**XVI. Specifics of work on consolidating and expanding the achievements of poverty alleviation and rural revitalization**√Applicable N/A

Poverty alleviation and rural revitalization projects	Quantity/Content
Total investment (RMB 10,000)	2,516.86
Including: funds (RMB 10,000)	2,516.86
Value of materials (RMB 10,000)	-
Number of beneficiaries (person)	-
Forms of assistance (e.g., industrial poverty alleviation, employment poverty alleviation, and educational poverty alleviation)	Employment assistance, industrial assistance, and educational assistance

Specific description

√Applicable N/A**1. Strategic guidance: promoting comprehensive rural revitalization**

Leveraging its advantages in the clean energy industry, the Company promotes the establishment of collaborative mechanisms between its subsidiaries and local governments, focusing on industrial empowerment, employment assistance, and talent cultivation, and carries out rural revitalization practices tailored to local conditions. The Company incorporates rural revitalization into its social responsibility and sustainable development plans, ensuring that project implementation is consistent with national policy directions and local planning, and promoting the sharing of development benefits with rural areas.

During the reporting period, the total expenditure related to rural revitalization by the headquarters and subsidiaries of the Company amounted to RMB 25.1686 million.

**2. Delivering employment opportunities to rural areas to boost rural income**

The Company carried out targeted rural recruitment initiatives in areas such as Lawu Yi Ethnic Township, Binchuan County, Dali Bai Autonomous Prefecture, Yunnan Province, precisely matching rural labor resources with the Company's front-line job needs, providing local villagers with nearby employment opportunities, promoting the transfer of surplus rural labor, and helping to increase household income. The Company aligned with national rural revitalization policies and local assistance plans, coordinated with local government departments to obtain policy guidance and optimize project plans, enhanced information disclosure and communication, and strengthened collaboration and interaction with village collectives and villagers to ensure the stable operation of projects.

**XVII. Others**Applicable √N/A

## Section V Significant matters

### I. Fulfillment of commitments

#### (I) Commitments made by the Company's Actual Controllers, shareholders, related parties, acquirers and other relevant commitment parties during the reporting period or continuing into the reporting period

√Applicable N/A

Commitment background	Commitment Type	Commitment party	Commitment Content	Commitment time	Whether there is a performance period	Commitment period	Whether the commitment was fulfilled in a timely and strict manner	If the commitment was not fulfilled in a timely manner, explain the specific reasons for non-fulfillment	If the commitment was not fulfilled in a timely manner, explain the next steps
Commitments related to the initial public offering	Share transfer restrictions	Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang	Note 1	2018.02.01	Yes	1. Upon the expiry of the lock-up period; 2. Within 6 months after resignation	Yes	N/A	N/A
	Share transfer restrictions	Chuanwei Zhang, Jinfa Wang, Qiying Zhang, Rui Zhang, Jianjun Liu, and Lianyu Liu	Note 2	2018.02.01	Yes	1. Upon the expiry of the lock-up period; 2. Within 6 months after resignation	Yes	N/A	N/A
	Share transfer restrictions	Controlling shareholder Energy Investment Group, and shareholders Zhongshan Ruixin, Hainan Boyun, Wiser Tyson, First Base, and Keycorp	Note 3	2018.02.01	No	Long-term	Yes	N/A	N/A
	Share transfer restrictions	Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang	Note 4	2018.10.15	No	Long-term	Yes	N/A	N/A
	Resolution of horizontal competition	1. Controlling shareholder Energy Investment Group, shareholders Zhongshan Ruixin, Hainan Boyun, Wiser Tyson, First Base, and Keycorp; 2. Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang	Note 5	2018.02.01	No	Long-term	Yes	N/A	N/A
	Resolution of	Controlling shareholder Energy Investment Group	Note 6	2018.10.15	No	Long-term	Yes	N/A	N/A

	horizontal competition								
	Resolution of related-party transactions	1. Controlling shareholder Energy Investment Group, shareholders Zhongshan Ruixin, Hainan Boyun, Wiser Tyson, First Base, and Keycorp; 2. Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang; 3. Chuanwei Zhang, Jinfa Wang, Qiyang Zhang, Rui Zhang, Yongjun Zhai, Jianjun Liu, and Lianyu Liu;	Note 7	2018.02.01	No	Long-term	Yes	N/A	N/A
	Other	Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang	Note 8	2018.10.15	No	Long-term	Yes	N/A	N/A
	Other	Chuanwei Zhang, Jinfa Wang, Qiyang Zhang, Rui Zhang, Jianjun Liu, and Lianyu Liu	Note 9	2018.02.01	No	Long-term	Yes	N/A	N/A
	Other	Yuan Li	Note 10	2018.10.15	No	Long-term	Yes	N/A	N/A
	Other	Chuanwei Zhang	Note 11	2018.10.15	No	Long-term	Yes	N/A	N/A
	Other	Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang	Note 12	2018.10.15	No	Long-term	Yes	N/A	N/A
	Other	The Company, controlling shareholder Energy Investment Group, and shareholders Zhongshan Ruixin, Hainan Boyun, Wiser Tyson, First Base, and Keycorp	Note 13	2018.02.01	No	Long-term	Yes	N/A	N/A
	Other	1. Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang; 2. Chuanwei Zhang, Jinfa Wang, Qiyang Zhang, Rui Zhang, Yongjun Zhai, Jianjun Liu, and Lianyu Liu;	Note 14	2018.02.01	No	Long-term	Yes	N/A	N/A
	Other	1. Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang; 2. Overseas mezzanine companies Rich Wind Energy Two Corp., Rich Wind Energy Three Corp., and China Ming Yang; 3. Controlling shareholder Energy Investment Group, and shareholders Zhongshan Ruixin, Hainan Boyun, Wiser Tyson, First Base, and Keycorp;	Note 15	2018.10.15	No	Long-term	Yes	N/A	N/A
	Other	Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang	Note 16	2018.02.01	No	Long-term	Yes	N/A	N/A

Commitments related to refinancing	Other	Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang	Note 17	Note 17	No	Long-term	Yes	N/A	N/A
	Other	1. Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang; 2. Controlling shareholder Energy Investment Group, and shareholders Zhongshan Ruixin, Hainan Boyun, Wiser Tyson, First Base, and Keycorp;	Note 18	Note 18	No	Long-term	Yes	N/A	N/A
	Other	Chuanwei Zhang, Jinfang Wang, Qiyang Zhang, Rui Zhang, Caifa Liang, Dongdong Wang, Lingna Yi, and Jianjun Liu	Note 19	Note 19	No	Long-term	Yes	N/A	N/A
	Other	The Company	Note 20	2020.07.03	Yes	Note 20	Yes	N/A	N/A
	Other	Actual Controllers Chuanwei Zhang, Ling Wu, and Rui Zhang	Note 21	2021.12.14	No	Long-term	Yes	N/A	N/A
	Other	Chuanwei Zhang	Note 22	2022.05.18	No	Long-term	Yes	N/A	N/A
Commitments related to equity incentives	Other	The Company	Note 23	2019.08.28	Yes	Until the end of the 2019 Restricted Stock Incentive Plan	Yes	N/A	N/A
	Other	Incentive recipients of the 2019 Restricted Stock Incentive Plan	Note 24	2019.08.28	Yes	Until the end of the 2019 Restricted Stock Incentive Plan	Yes	N/A	N/A
	Share transfer restrictions	Chuanwei Zhang, Qiyang Zhang, Jinfang Wang, Rui Zhang, Yuanfeng Fan, Limin Wang, Caifa Liang, Dongdong Wang, Jianjun Liu, Lingna Yi, Bing Han, Fan Ye, and Yongle Pan	Note 25	2024.10.15	Yes	Within 6 months from November 4, 2024	Yes	N/A	N/A
	Other	The Company	Note 26	2025.09.25	Yes	Until the end of the Company's 2025 Stock Option Incentive Plan	Yes	N/A	N/A
	Other	Incentive recipients of the 2025 Stock Option Incentive Plan	Note 27	2025.09.25	Yes	Until the end of the Company's 2025 Stock Option Incentive Plan	Yes	N/A	N/A
Other commitments	Share transfer restrictions	The Company	Note 28	2025.12.16	Yes	From January 29, 2026 to January 28, 2027	Yes	N/A	N/A

Note 1: After the lock-up period expires, the number of Company's shares transferred annually by the commitment party during the tenure as a director, supervisor, or senior officer of the Company shall not exceed 25% of the total shares held by such commitment party. The commitment party shall not transfer the Company's shares directly or indirectly held by them within half a year after their resignation.

Note 2: After the lock-up period expires, during the commitment party's tenure as a director, supervisor, or senior officer of the Company, the number of Company's shares transferred annually shall not exceed 25% of the total shares directly and indirectly held by the commitment party. The commitment party shall not transfer the Company's shares directly or indirectly held by them within half a year after their resignation.

Note 3: 1. When the commitment party intends to reduce their shareholding, they shall notify the Company in writing in advance of their intention and the proposed number of shares to be reduced, and the Company shall make a timely announcement. The shareholder may reduce the shareholding in the Company 3 trading days after the date of the Company's announcement.

2. If the commitment party plans to reduce their shareholding through centralized bidding on a stock exchange, they shall disclose the reduction plan 15 trading days prior to the first sale. The total number of shares reduced by the commitment party through centralized bidding on a stock exchange within three months shall not exceed 1% of the Company's total shares.

3. The total number of shares reduced by the commitment party through block trades within three months shall not exceed 2% of the Company's total shares.

4. If the commitment party reduces their shareholding through an agreement, the proportion of shares transferred to a single transferee shall not be less than 5% of the Company's total shares. If the shareholding ratio of the commitment party falls below 5% due to a share reduction through an agreement transfer, the commitment party shall continue to comply with the provisions of Article 2 for 6 months after the reduction.

5. If the Company's shares held by the commitment party are pledged, they shall notify the Company within two days from the date of such event, and an announcement shall be made.

6. If the commitment party fails to comply with the above commitments, all proceeds from the sale of shares in breach of the commitments shall belong to the Company, and the commitment party shall bear corresponding legal liabilities;

7. Where otherwise stipulated by laws, regulations, and relevant rules of the CSRC, such provisions shall prevail.

Note 4: During the period of acting in concert, the commitment party shall maintain their multi-layered overseas shareholding structure unchanged, and shall not directly or indirectly transfer the equity of any overseas company in the overseas shareholding structure, nor shall they violate the commitments on lock-up period and share reduction by indirectly transferring the Company's shares through the direct or indirect transfer of the equity of any overseas company in the overseas shareholding structure.

Note 5: 1. The commitment party has not, in any form, directly or indirectly engaged in or operated any business that constitutes or may constitute competition with the Company and its subsidiaries in any region within or outside of China.

2. During the period when the commitment party is the Actual Controller of the Company/under the control of the Actual Controller of the Company, the commitment party guarantees not to engage in, on their own or through joint ventures, cooperation, or any other form, any business or operational activities that constitute or may constitute competition with the production and operation of the Company and its subsidiaries, and will not provide any financial, business, technical, management, or other assistance in any form to enterprises, institutions, or other economic organizations that compete with the Company and its subsidiaries. Other enterprises controlled by the commitment party or where the commitment party

serves as a director or senior officer, whether existing or to be established in the future (hereinafter referred to as "Affiliated Enterprises"), will also not operate any business that constitutes or may constitute competition with the Company and its subsidiaries.

3. During the period when the commitment party is the Actual Controller of the Company/under the control of the Actual Controller of the Company, if for any reason the business operated by the commitment party or its Affiliated Enterprises competes with the business of the Company and its subsidiaries in the future, the commitment party agrees, upon the Company's request, to allow the Company to have the priority to acquire the assets or equity related to such business under the same conditions, or to cause the commitment party or its Affiliated Enterprises to transfer the relevant assets or equity to the Company through legal means, or to adjust the business of the commitment party or its Affiliated Enterprises through other fair, reasonable, and legal means to avoid horizontal competition with the Company and its subsidiaries.

4. If the commitment party breaches the above commitments, the Company and its shareholders shall have the right to claim full compensation for all losses suffered thereby against the commitment party in accordance with this commitment, and any benefits obtained by the commitment party from breaching the above commitments shall also belong to the Company.

Note 6: After the acquisition of the equity or partnership shares of Neimenggu Ming Yang Wind Power Co., Ltd., the commitment party shall not engage in businesses competing with the Company through such company or partnership.

Note 7: 1. After the date of this commitment, the commitment party will avoid related-party transactions with the Company as much as possible;

2. For related-party transactions that are unavoidable or occur for reasonable reasons, the commitment party will strictly comply with the provisions of the Company Law and other relevant laws, regulations, normative documents, and the Articles of Association, follow the principles of equivalence, consideration, and fair trade, perform legal procedures and enter into relevant agreements or contracts, disclose information in a timely manner, and ensure the fairness of related-party transactions;

3. The commitment party undertakes not to harm the legitimate rights and interests of the Company and its shareholders through related-party transactions;

4. The commitment party's commitments regarding related-party transactions will also apply to related parties who are close family members of the commitment party (including spouse, parents, parents of spouse, siblings and their spouses, children aged 18 and above and their spouses, siblings of spouse, and parents of children's spouses) and other related parties with whom the commitment party has a related-party relationship. The commitment party will, within the legal authority, cause the aforementioned persons to fulfill the commitments regarding related-party transactions.

Note 8: If the Company's overseas subsidiaries, Ming Yang Wind Power USA. INC., Ming Yang Wind Power European R&D Center Aps, and Ming Yang Renewable Energy (International) Company Limited, are held accountable by the development and reform authorities for failing to complete the overseas investment filing procedures with the Development and Reform Commission, the commitment party will unconditionally and fully compensate the Company for all economic losses and assume unlimited joint and several liability for damages.

Note 9: The commitment on measures to make up for diluted immediate returns arising from the initial public offering:

1. The commitment party undertakes that under no circumstances will they overstep their authority to interfere in the Company's business management activities, encroach on the Company's interests, transfer benefits to other entities or individuals for free or on undisclosed terms, or harm the Company's interests in any other way.

2. The commitment party's position-related consumption behavior shall be constrained, and they shall act on the principle of frugality during position-related consumption, avoiding extravagance and waste.
3. The commitment party undertakes not to use the Company's assets for investment and consumption activities unrelated to the performance of their duties.
4. The commitment party undertakes that the remuneration system formulated by the Board or the Remuneration Committee shall be linked to the implementation of the Company's measures to make up for diluted returns.
5. The commitment party undertakes that if the Company implements an equity incentive plan in the future, the exercise conditions of the equity incentive shall be linked to the implementation of the Company's measures to make up for diluted returns.
6. After the date of this commitment, if the CSRC issues new regulatory provisions on measures to make up for diluted returns and related commitments, and the above commitment cannot meet such provisions of the CSRC, the commitment party undertakes to issue supplementary commitments in accordance with the latest provisions of the CSRC at that time.
7. If the commitment party fails to fulfill the above commitments, the commitment party will publicly explain the specific reasons for the failure and apologize at the Company's general meeting and in newspapers and periodicals designated by the CSRC. In addition, if losses are caused to the Company or investors due to the breach of such commitments, the commitment party is willing to bear the compensation liability to the Company or investors in accordance with the law.

Note 10: For the commitment party's failure to handle foreign exchange registration for overseas investment in accordance with relevant laws and regulations, the commitment party shall bear the corresponding legal responsibilities. If the Company is penalized or assumes other legal responsibilities due to the aforementioned matters, the commitment party will fully compensate the Company for all its losses, expenditures, and expenses within ten days of the Company's actual loss, ensuring that the Company's interests are not harmed.

Note 11: If the Company suffers economic losses due to Yuan Li's failure to handle foreign exchange registration for overseas investment in accordance with relevant laws and regulations, and Yuan Li is unable to provide timely and full compensation, the commitment party will, within ten days of the Company's actual loss, fully compensate the Company for all its losses, expenditures, and expenses, ensuring that the Company's interests are not harmed.

Note 12: 1. If the Company is required by competent administrative or judicial authorities to make supplementary payments, pay late fees, or is fined, or is claimed against by any other party due to its failure to make full or timely contributions to social insurance and housing provident fund for its employees, the commitment party shall unconditionally be fully liable for such amounts payable by the Company and all economic losses incurred by the Company as a result.

2. If a contract is deemed invalid or economic losses are incurred on account of the failure to conduct mandatory bidding in the process of acquiring business, the commitment party shall bear the corresponding losses to ensure that the Company's interests are not harmed.

Note 13: If the commitment party fails to fulfill the public commitments, they shall propose new commitments (related commitments shall go through relevant approval procedures in accordance with laws, regulations, and the Company's Articles of Association) and be subject to the following restrictive measures until the new commitments are fulfilled or corresponding remedies are implemented:

1. Publicly explain the specific reasons for the failure and apologize to shareholders and public investors at the general meeting and on the disclosure media designated by the CSRC;
2. The commitment party shall not carry out public refinancing;

3. The remuneration or allowance of the directors, supervisors, and senior officers who are personally responsible for the commitment party's failure to fulfill the commitments shall be reduced or suspended;
4. The voluntary resignation application of the directors, supervisors, and senior officers who have failed to fulfill the commitments shall not be approved, but a change of position may be made;
5. If losses are caused to investors, the commitment party will bear the liability for compensation to investors in accordance with the law.

Note 14: If the commitment party fails to fulfill the public commitments, they shall propose new commitments and be subject to the following restrictive measures until the new commitments are fulfilled or corresponding remedies are implemented:

1. Publicly explain the specific reasons for the failure and apologize to shareholders and public investors at the general meeting and on the disclosure media designated by the CSRC;
2. The commitment party shall not transfer the Company's shares. This excludes situations where share transfer is necessary due to inheritance, enforcement, restructuring of the Listed Company, or to fulfill commitments to protect investors' interests;
3. The commitment party shall temporarily not receive the portion of the Company's distributed profits attributable to the commitment party;
4. The commitment party's position may be changed, but the commitment party shall not voluntarily request resignation;
5. The commitment party voluntarily applies for a reduction or suspension of remuneration or allowance;
6. If any proceeds are obtained from the failure to perform the relevant commitments, such proceeds shall belong to the Company, and shall be paid to the account designated by the Company within five working days of obtaining such proceeds;
7. If the commitment party fails to perform the public commitments in the prospectus and causes losses to investors, the commitment party shall compensate the investors for their losses in accordance with the law;
8. If the commitment party fails to perform the public commitments in the prospectus and causes losses to investors, the commitment party shall bear joint and several liability for compensation in accordance with the law.

Note 15: If the commitment party violates commitments and statements such as the share lock-up commitment, the concert action relationship commitment, the statement on share price stabilization measures, and the statement on shareholding or reduction intentions, the commitment party shall be subject to the following restrictive measures:

- 1) The commitment party shall make a public apology to investors at the general meeting and on the media designated by the CSRC, and explain the specific reasons for failing to perform the commitments and statements.
- 2) All proceeds obtained from any direct or indirect violation of the share lock-up commitment and the statements on shareholding and reduction intentions (including but not limited to direct violation of the lock-up commitment, or the commitment party's indirect transfer of the Company's equity interests through the transfer or pledge of equity in an overseas mezzanine company) shall belong to the Company. The commitment party who violates the commitments and statements shall pay such proceeds in full to the Company's Board and make corrections within the period required by the relevant supervisory authorities. The commitment party shall bear unlimited joint and several liability for all losses thus caused to the Company and other shareholders.
- 3) Within 5 working days from the date of the aforementioned facts, the commitment party shall cease to receive shareholder dividends from the Company. The Company shall deduct the dividends payable to the commitment party accordingly until the commitment party who violated the commitments and statements has paid the proceeds obtained from such violation and has fulfilled the compensation liability to investors.
- 4) Before the impact of the violation of commitments is eliminated (i.e., the commitment party has rectified the violation of commitments and statements, the Company has collected all proceeds obtained

by the commitment party from the violation, and the compensation liability to investors has been fulfilled), the commitment party shall not directly or indirectly transfer the Company's shares or any indirect equity interests held in any form.

Note 16: The commitment party undertakes to obtain the property ownership certificates for the relevant properties as soon as possible. If the Company's normal production and operation are affected, or if it is subject to administrative penalties from relevant government departments, or is required to bear other legal liabilities due to the failure to obtain property ownership certificates for the above-mentioned properties, resulting in economic losses to the Company, the commitment party will fully bear the expenditures and expenses for such penalties or claims, and will not seek recourse from the Company after bearing such expenses, ensuring that the Company will not suffer any losses therefrom.

Note 17: 1. On June 26, 2019, the following commitments were made regarding the Company's 2019 public offering of convertible corporate bonds:

The commitment party undertakes to obtain the real estate title certificates for the unregistered properties as soon as possible. If the Issuer suffers economic losses because its normal production and operation are affected, or it is fined by relevant government departments, or is required to bear other legal liabilities due to the failure to obtain the real estate title certificates in a timely manner, the commitment party will fully bear the expenditures and expenses for such penalties or claims, ensuring that the Company will not suffer any losses therefrom.

2. On April 26, 2020, the following commitments were made regarding the Company's 2020 non-public offering of shares:

Regarding the properties for which MYSE has yet to obtain property ownership certificates, I undertake to obtain the property ownership certificates for the above-mentioned properties as soon as possible. If MYSE's normal production and operation are affected, or if it is subject to administrative penalties from relevant government departments, or is required to bear other legal liabilities due to the failure to obtain property ownership certificates for the above-mentioned properties, resulting in economic losses to the Issuer, I will fully bear the expenditures and expenses for such penalties or claims, and will not seek recourse from MYSE after bearing such expenses, ensuring that MYSE will not suffer any losses therefrom.

3. On July 8, 2021, the following commitments were made regarding the Company's 2021 non-public offering of shares:

Regarding the properties for which MYSE has yet to obtain property ownership certificates, I undertake to obtain the property ownership certificates for the above-mentioned properties as soon as possible. If MYSE's normal production and operation are affected, or if it is subject to administrative penalties from relevant government departments, or is required to bear other legal liabilities due to the failure to obtain property ownership certificates for the above-mentioned properties, resulting in economic losses to the Issuer, I will fully bear the expenditures and expenses for such penalties or claims, and will not seek recourse from MYSE after bearing such expenses, ensuring that MYSE will not suffer any losses therefrom.

4. On April 26, 2022, the following commitments were made regarding the Company's 2022 issuance of Global Depositary Receipts and listing on the London Stock Exchange:

1) I undertake to obtain the property ownership certificates for which MYSE and its material subsidiaries have yet to obtain as soon as possible. If the Issuer or its subsidiaries suffer economic losses because MYSE's normal production and operation are affected, or it is subject to administrative penalties from relevant government departments, or is required to bear other legal liabilities due to the failure to obtain property ownership certificates or complete the completion filing for the above-mentioned properties, I will fully bear the expenditures and expenses for such penalties or claims, and will not seek recourse from MYSE or its subsidiaries after bearing such expenses, ensuring that MYSE and its subsidiaries will not suffer any losses therefrom;

2) If MYSE and its material subsidiaries (including Guangdong Mingyang New Energy Technology Co., Ltd., Beijing Jieyuan New Energy Investment Co., Ltd., and REnergy Electric Tianjin Ltd.) are subject to claims, fines, or other economic losses due to their failure to make contributions to social insurance and housing provident fund for their employees in accordance with relevant national laws and regulations during the reporting period (from January 1, 2019 to December 31, 2021), I, as the Actual Controller, will fully bear the aforesaid expenditures and expenses, ensuring that MYSE will not suffer any losses therefrom.

Note 18: 1. On May 28, 2019, the following commitments were made regarding the Company's 2019 public offering of convertible corporate bonds:

1) Undertake not to interfere in the business and management activities of the Listed Company beyond the authority;

2) Undertake not to encroach on the interests of the Listed Company.

2. On April 8, 2020 and July 5, 2020, the following commitments were made regarding the Company's 2020 non-public offering of stock:

1) The commitment party shall exercise shareholder rights in accordance with relevant laws, regulations, and the provisions of the Company's Articles of Association, will not interfere in the Company's business management activities beyond the authority, and will not misappropriate the Company's interests;

2) The commitment party shall earnestly implement the relevant measures to make up for diluted returns formulated by the Company and any commitments made in this regard. If the commitment party violates such commitments and cause losses to the Company or investors, the commitment party is willing to bear the compensation liability to the Company or investors in accordance with the law.

3. On April 29, 2021, the following commitments were made regarding the Company's 2021 non-public offering of stock:

1) I/We will not interfere in the business and management activities of the Listed Company beyond the authority, will not encroach on the interests of the Listed Company, and will earnestly implement the relevant measures to make up for the diluted immediate returns for the Listed Company;

2) I/we undertake to fully, completely, and timely implement the measures formulated by the Listed Company to make up for the diluted immediate returns, as well as any commitments made regarding measures to make up for the diluted immediate returns. If I/we breach such commitments and cause losses to the Listed Company or its shareholders, I/we will make a public explanation and apology at the general meeting and in newspapers and periodicals designated by the CSRC; assume compensation liabilities to the Listed Company and/or its shareholders in accordance with the law; and accept the penalties or relevant regulatory measures imposed by securities regulatory authorities such as the CSRC and/or the Shanghai Stock Exchange in accordance with the relevant regulations formulated or issued by them.

Note 19: On April 8, 2020 and July 5, 2020, the following commitments were made regarding the Company's 2020 non-public offering of shares:

1) I will perform my duties faithfully and diligently to safeguard the legitimate rights and interests of the Company and all shareholders;

2) I will not transfer benefits to other entities or individuals for free or on unfair terms, nor will I harm the Company's interests in other ways;

3) I will restrain my position-related consumption behaviors;

4) I will not use the Company's assets for investment and consumption activities unrelated to the performance of my duties;

5) Within the scope of my duties and authority, I shall fully endeavour to link the remuneration system formulated by the Company's Board or the Remuneration and Assessment Committee to the implementation of the Company's measures to make up for diluted returns;

6) If the Company implements an equity incentive plan in the future, I undertake, within the scope of my duties and authority, to make every effort to link the exercise conditions of the equity incentive to the implementation of the Company's measures to make up for diluted returns.

Note 20: Before the proceeds from the Company's 2020 non-public offering of shares are fully utilized or within 36 months after the proceeds are received, no additional funds will be invested in quasi-financial businesses (including capital increases, loans, guarantees, and other forms of fund investment in quasi-financial businesses).

Note 21: If the Company and its controlled subsidiaries are penalized or unable to continue using the relevant properties due to circumstances such as the failure to complete lease registration and filing for leased properties for production use, I undertake to assist the Company in taking or procure the Company to take active measures to avoid or reduce the expenditures and economic losses incurred by the Company and its controlled subsidiaries. If the relevant expenses, expenditures, and economic losses are still unavoidable after such measures are taken, I will provide full compensation.

Note 22: The following commitments were made regarding the Company's 2022 issuance of Global Depositary Receipts and listing on the London Stock Exchange:

1. Regarding the situations where the Issuer and its subsidiaries included in the Issuer's consolidated financial statements as of March 31, 2022 have not yet completed the completion filing for their properties or have not timely obtained the property ownership certificates, if the normal production and operation of the Issuer and/or its subsidiaries are subsequently affected, or if they incur administrative penalties from relevant government departments, or are required to bear corresponding legal liabilities, resulting in economic losses to the Issuer and/or its subsidiaries, the Issuer's Actual Controller will fully bear the aforementioned liabilities (including but not limited to expenditures and expenses for penalties or claims), and will not seek recourse from the Issuer and/or its subsidiaries after bearing them, ensuring that the Issuer and its subsidiaries will not suffer any losses therefrom.
2. Regarding the situations where the Issuer and its subsidiaries have not timely obtained the land use right certificates for the wind farms and/or photovoltaic power stations held by them, if the normal production and operation of the Issuer and/or its subsidiaries are subsequently affected, or if they incur administrative penalties from relevant government departments, or are required to bear corresponding legal liabilities, resulting in economic losses to the Issuer and/or its subsidiaries, the Issuer's Actual Controller will fully bear the aforementioned liabilities (including but not limited to expenditures and expenses for penalties or claims), and will not seek recourse from the Issuer and/or its subsidiaries after bearing them, ensuring that the Issuer and its subsidiaries will not suffer any losses therefrom.
3. Regarding the situations where the Issuer and its subsidiaries failed to make or fully make social insurance contributions and/or housing provident fund contributions for some employees from January 1, 2019 to March 31, 2022, if the Issuer and/or its subsidiaries are subject to claims, fines, or other economic losses due to the aforementioned situations, the Issuer's Actual Controller will fully bear the aforementioned expenditures and expenses, ensuring that the Issuer and its subsidiaries will not suffer any losses therefrom.

Note 23: The Company undertakes not to provide loans or any other form of financial assistance, including providing guarantees for loans, to the incentive recipients of this restricted stock incentive plan for their purchase of restricted stock under this plan.

Note 24: If the Company discovers that the incentive recipients are ineligible for receipt of interests or the exercise of equity arrangements due to any false records, misleading statements or material omissions in the disclosure documents, the incentive recipients shall return to the Company all of the interests received

under the equity incentive plan since the relevant disclosure documents have been confirmed to contain false records, misleading statements or material omissions.

Note 25: I undertake not to reduce my holdings of the Company's shares for a period of 6 months from the date on which the restricted stock of the Company is released from sale restrictions.

Note 26: The Company undertakes not to provide loans, guarantees for loans, or any other form of financial assistance to the incentive recipients for their acquisition of relevant rights and interests under the Incentive Plan.

Note 27: If the Company discovers that the incentive recipients are ineligible for receipt of interests or the exercise of equity arrangements due to any false records, misleading statements or material omissions in the disclosure documents, the incentive recipients shall return to the Company all of the interests received under the equity incentive plan since the relevant disclosure documents have been confirmed to contain false records, misleading statements or material omissions.

Note 28: The lock-up period for the stock of Zhejiang Zhenshi New Material Co., Ltd. allocated to the Company in its initial public offering is 12 months (calculated from the listing date). During the lock-up period, the Company shall not transfer the allocated shares in any direct or indirect form, nor create any pledge, mortgage, or other rights restrictions on the allocated shares, nor engage in short selling of such allocated shares through securities lending.

Note 29: On January 22, 2026, the Company held the 30th meeting of the third Board, at which the Proposal on the Proposal of Ming Yang Smart Energy Group Limited on Issuance of Shares and Cash Payment for Asset Acquisition, Raising of Supporting Funds and Related-Party Transactions and its Summary was deliberated and approved. For details of the relevant commitments, please refer to the Proposal of Ming Yang Smart Energy Group Limited on Issuance of Shares and Cash Payment for Asset Acquisition, Raising of Supporting Funds and Related-Party Transactions (Revised Draft) disclosed by the Company on the designated information disclosure media.

**(II) There is a profit forecast for the Company's assets or projects and the reporting period is still within the profit forecast period, the Company shall explain whether the assets or projects have met the original profit forecast and the reasons thereof**

Met Not met N/A

**(III) Performance commitments**

Applicable N/A

Unit: RMB 10,000 Currency: RMB

Commitment background	Commitment party	Commitment period	Committed indicators	Committed amount	Actual amount fulfilled	Fulfillment rate (%)
Performance commitments in relation to the acquisition of Guangdong Mingyang Longyuan Power Electronics Co., Ltd.	Zhongshan Mingyang Electrical Appliances Co., Ltd.	2024-2026	Cumulative realized Recurring Net Profit Attributable to Parent	9,331.62	12,128.70	129.97

On January 12, 2024, the Company deliberated on and approved the Proposal on the Acquisition of 100% Equity of Guangdong Mingyang Longyuan Power Electronics Co., Ltd. and Related-Party Transaction, under which the Company would acquire 100% equity of Guangdong Mingyang Longyuan Power Electronics Co., Ltd. (hereinafter referred to as "Guangdong Mingyang Longyuan") held by Zhongshan Mingyang Electrical Appliances Co., Ltd. (hereinafter referred to as "Zhongshan Electrical Appliances") with its own funds. According to the agreement, Zhongshan Electrical Appliances committed that Guangdong Mingyang Longyuan would achieve net profits attributable to owners of the parent company after deducting non-recurring profit or loss (hereinafter referred to as "Recurring Net Profit Attributable to Parent") of RMB 25,754,800, RMB 31,672,400, and RMB 35,889,000 in 2024, 2025, and 2026, respectively.

During the performance commitment period, if the cumulative realized Recurring Net Profit Attributable to Parent of Guangdong Mingyang Longyuan is less than 90% of the cumulative committed net profit, Zhongshan Mingyang Electric must compensate MYSE within 60 working days after the audit data for the last year of the performance commitment period is determined. The compensation during the performance commitment period is calculated as follows: total compensation amount = (cumulative committed Recurring Net Profit Attributable to Parent of Guangdong Mingyang Longyuan during the commitment period \* 90% - cumulative realized Recurring Net Profit Attributable to Parent of Guangdong Mingyang Longyuan during the commitment period) / cumulative committed Recurring Net Profit Attributable to Parent of Guangdong Mingyang Longyuan during the commitment period × this equity transfer payment. The total cash compensation payable by Zhongshan Electrical Appliances to MYSE shall not exceed the amount of the equity transfer payment received by Zhongshan Mingyang Electrical Appliances.

As the aforementioned acquisition is a business combination under common control, this transaction does not generate goodwill. Guangdong Mingyang Longyuan's net profit attributable to owners of the parent company after deducting non-recurring profit or loss for 2024 and 2025 amounted to RMB 33.5243 million (audited) and RMB 87.7627 million (audited), respectively.

Changes in performance commitments

Applicable N/A

Other explanations

Applicable N/A

## **II. Non-operating fund occupation by the controlling shareholder and other related parties during the reporting period**

Applicable N/A

## **III. Irregular guarantees**

Applicable N/A

## **IV. Explanation by the Company's Board on the "non-standard audit report" from the accounting firm**

Applicable N/A

**V. The Company's analysis and explanation of the reasons for and effects of changes in accounting policies and accounting estimates or corrections of material accounting errors**

**(I) The Company's analysis and explanation of the reasons for and effects of changes in accounting policies and estimates**

Applicable N/A

**(II) The Company's analysis and explanation of the reasons for and effects of corrections of significant accounting errors**

Applicable N/A

**(III) Communication with the predecessor accounting firm**

Applicable N/A

**(IV) Approval procedures and other explanations**

Applicable N/A

**VI. Engagement and dismissal of the accounting firm**

Unit: RMB 10,000 Currency: RMB

	Previous engagement	Current engagement
Name of the domestic accounting firm	Grant Thornton LLP (Special General Partnership)	Ernst & Young Hua Ming LLP (Special General Partnership)
Remuneration for the domestic accounting firm	350	290
Audit tenure of the domestic accounting firm	9 years	1 year
Names of certified public accountants from the domestic accounting firm	/	Boyuan Wen, Yucheng Huang
Cumulative years of audit services provided by the certified public accountants from the domestic accounting firm	/	Boyuan Wen (1 year), Yucheng Huang (1 year)

	Name	Remuneration
Accounting firm for internal control audit	Ernst & Young Hua Ming LLP (Special General Partnership)	70

Explanation on the engagement and dismissal of the accounting firm

Applicable N/A

In accordance with the relevant provisions of the Administrative Measures for the Selection and Engagement of Accounting Firms by State-owned Enterprises and Listed Companies, and in view of the fact that the predecessor accounting firm, Grant Thornton LLP (Special General Partnership), provided audit services to the Company for nine consecutive years, the Company, after comprehensive evaluation and prudent consideration based on its business development strategy and overall audit needs, has engaged Ernst & Young Hua Ming as the audit institution for its financial report and internal control for 2025. This engagement was deliberated and approved at the 24th meeting of the third Board and the third extraordinary Shareholders' Meeting of 2025.

The Company has fully communicated regarding this change of accounting firm with both the predecessor and successor accounting firms. All parties have been clearly informed of this change and have confirmed no objections.

Explanation on the change of accounting firm during the audit period

Applicable N/A

Explanation on the decrease in audit fees by 20% or more compared to the previous year

Applicable N/A

## **VII. Delisting risk**

### **(I) Reasons for the delisting risk warning**

Applicable N/A

### **(II) Countermeasures to be taken by the Company**

Applicable N/A

### **(III) Circumstances and reasons for termination of listing**

Applicable N/A

## **VIII. Matters related to bankruptcy and reorganization**

Applicable N/A

## **IX. Major litigation and arbitration matters**

The Company had major litigation or arbitration matters during the year.

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

## **X. Suspected violations, penalties, and rectifications involving the Listed Company, its directors, senior officers, controlling shareholder, and Actual Controllers**

Applicable N/A

## **XI. Explanation of the integrity status of the Company, its controlling shareholder, and Actual Controllers during the reporting period**

Applicable N/A

During the reporting period, the Company, its controlling shareholder, and Actual Controllers had no circumstances such as failure to perform effective court judgments or failure to settle large-amount debts upon maturity.

## **XII. Material related-party transactions**

### **(I) Related-party transactions related to daily operations**

#### **1. Matters that have been disclosed in interim announcements and involve no progress or changes in subsequent implementation**

Applicable N/A

**2. Matters that have been disclosed in interim announcements but involve progress or changes in subsequent implementation**

Applicable N/A

On March 26, 2025, the 18th meeting of the third Board of the Company approved the Proposal on the Estimated Amount of Daily Related-Party Transactions for 2025, which was then approved at the Company's 2024 annual general meeting.

Related-party transactions that did not reach the threshold for deliberation by the Board and the Shareholders' Meeting were approved by the Company's Chief Executive Officer (General Manager) in accordance with the Articles of Association, the Rules of Procedure for Shareholders' Meetings, the Rules of Procedure for the Board of Directors, and the Working Rules for the Chief Executive Officer (General Manager). For details on the Company's related-party transactions during the reporting period, see "For details, see Section VIII Financial report" of this Report.

**3. Matters not disclosed in interim announcements**

Applicable N/A

**(II) Related-party transactions arising from the acquisition or sale of assets or equity**

**1. Matters that have been disclosed in interim announcements and involve no progress or changes in subsequent implementation**

Applicable N/A

Overview of the matter
Given that the repurchase conditions in the Investment Agreement on Jiangsu Hige Energy Co., Ltd. previously signed by the Company with Hige Energy, BCC, and other shareholders of Hige Energy were triggered, the Company issued a Repurchase Right Exercise Letter to BCC and Hige Energy. On June 6, 2025, the Company held the 20th meeting of the third Board, which reviewed and approved that Hige Energy shall, through capital reduction, pay the Company the investment principal amount and all corresponding accrued interest in installments according to the time schedule in the agreement, and BCC shall bear joint and several liability for Hige Energy's obligation to pay the repurchase price.

**2. Matters that have been disclosed in interim announcements but involve progress or changes in subsequent implementation**

Applicable N/A

**3. Matters not disclosed in interim announcements**

Applicable N/A

**4. Where performance commitments are involved, the performance achievement during the reporting period shall be disclosed**

Applicable N/A

For details, see "Section V Significant matters" - "I. Fulfillment of commitments" - "(III) Performance commitments" in this Report.

**(III) Material related-party transactions of joint external investment**

**1. Matters that have been disclosed in interim announcements and involve no progress or changes in subsequent implementation**

Applicable N/A

**2. Matters that have been disclosed in interim announcements but involve progress or changes in subsequent implementation**

Applicable N/A

**3. Matters not disclosed in interim announcements**

Applicable N/A

**(IV) Related-party claims and debts**

**1. Matters that have been disclosed in interim announcements and involve no progress or changes in subsequent implementation**

Applicable N/A

**2. Matters that have been disclosed in interim announcements but involve progress or changes in subsequent implementation**

Applicable N/A

**3. Matters not disclosed in interim announcements**

Applicable N/A

**(V) Financial business between the Company and its related finance companies, and between the Company's controlled finance companies and related parties**

Applicable N/A

**(VI) Others**

Applicable N/A

**XIII. Major contracts and their performance**

**(I) Entrustment, contracting, and leasing matters**

**1. Entrustment**

Applicable N/A

**2. Contracting**

Applicable N/A

**3. Leasing**

Applicable N/A

**(II) Guarantees**

√Applicable □N/A

Unit: RMB 10,000 Currency: RMB

External guarantees of the Company (excluding guarantees for subsidiaries)														
Guarantor	Relationship between the guarantor and the Listed Company	Guaranteed party	Guarantee amount	Date of guarantee (signing date of agreement)	Guarantee commencement date	Guarantee expiry date	Guarantee type	Collateral (if any)	Whether the guarantee has been fulfilled	Whether the guarantee is overdue	Overdue guarantee amount	Counter-guarantee	Whether a guarantee for related parties	Relationship
None														
Total amount of guarantees incurred during the reporting period (excluding guarantees for subsidiaries)												0		
Total balance of guarantees at the end of the reporting period (A) (excluding guarantees for subsidiaries)												0		
Guarantees provided by the Company and its subsidiaries for subsidiaries														
Total amount of guarantees for subsidiaries incurred during the reporting period												44,500.00		
Total balance of guarantees for subsidiaries at the end of the reporting period (B)												380,776.25		
Total guarantees of the Company (including guarantees for subsidiaries)														
Total guarantees (A+B)												380,776.25		
Total guarantees as a percentage of the Company's net assets (%)												14.47		
Including:														
Amount of guarantees provided for shareholders, Actual Controllers and their related parties (C)												0		
Amount of debt guarantees directly or indirectly provided for guaranteed parties with an asset-liability ratio exceeding 70% (D)												313,896.25		
Amount of total guarantees exceeding 50% of net assets (E)												66,880		
Total amount of the above three types of guarantees (C+D+E)												380,776.25		
Explanations on potential joint and several repayment liability for outstanding guarantees						N/A								
Explanations on guarantees						1. The aforementioned incurred guarantees and outstanding guarantee balances for subsidiaries do not include parent company performance guarantees for overseas subsidiaries where no guarantee obligations have been incurred.								

	2. The Company originally provided a guarantee of no more than RMB 58.8 million to Chengde County Shantai Jieyuan Steel Structure Co., Ltd. (hereinafter referred to as "Chengde Jieyuan"). In December 2025, the Company acquired a portion of the equity of Chengde Jieyuan, which was then included in the scope of the Company's consolidated financial statements.
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**(III) Entrusting others with cash asset management****1. Entrusted wealth management****(1) Overall situation of entrusted wealth management**√Applicable N/A

Unit: RMB 10,000 Currency: RMB

Type	Risk characteristics	Outstanding balance	Overdue and unrecovered amount
Wealth management products from banks	Low risk	5,000.00	0
Wealth management products from securities dealers	Low-to-medium risk	114,174.93	0

Other circumstances

Applicable N/A**(2) Individual entrusted wealth management**√Applicable N/A

Unit: RMB 10,000 Currency: RMB

Entrusted party	Type of entrusted wealth management	Risk characteristics	Amount of entrusted wealth management	Start date of entrusted wealth management	End date of entrusted wealth management	Fund investment direction	Whether there are any restricted circumstances	Actual gains or losses	Outstanding amount	Overdue and unrecovered amount
CITIC Securities AM Co., Ltd.	Wealth management products from securities dealers	Low-to-medium risk	241,413.94	2025-03-07	Indefinite	Bank deposits, interbank certificates of deposit, money market funds, bond funds, treasury bond futures, interest rate swaps, and other fixed-income asset management products.	No	-	114,174.93	0

Other circumstances

Applicable N/A

**(3) Impairment provision for entrusted wealth management**

Applicable N/A

**2. Entrusted loans**

**(1) Overall situation of entrusted loans**

Applicable N/A

Other circumstances

Applicable N/A

**(2) Individual entrusted loans**

Applicable N/A

Other circumstances

Applicable N/A

**(3) Impairment provision for entrusted loans**

Applicable N/A

**3. Other circumstances**

Applicable N/A

**(IV) Other material contracts**

Applicable N/A

**XIV. Progress on the use of raised funds**

Applicable N/A

**(I) Overall use of raised funds**

√Applicable □N/A

Unit: RMB 10,000

Source of raised funds	Time of receipt of raised funds	Total amount of raised funds	Net amount of raised funds (1)	Total committed investment amount of raised funds in the prospectus or offering memorandum (2)	Total amount of over-raised funds (3) = (1) - (2)	Cumulative total amount of raised funds invested as of the end of the reporting period (4)	Including: cumulative total amount of over-raised funds invested as of the end of the reporting period (5)	Cumulative investment progress of raised funds as of the end of the reporting period (%) (6) = (4)/(1)	Cumulative investment progress of over-raised funds as of the end of the reporting period (%) (7) = (5)/(3)	Amount invested in the current year (8)	Percentage of amount invested in the current year (%) (9) = (8)/(1)	Total amount of raised funds with changed use
Issuance of shares to specific investors	October 26, 2020	580,311.23	577,204.73	577,204.73	-	533,355.66	-	92.40	-	53,800.93	9.32	126,236.42
Total	/	580,311.23	577,204.73	577,204.73	-	533,355.66	-	/	/	53,800.93	/	126,236.42

Other explanations

√Applicable □N/A

**(II) Details of fund-raising investment projects**

√Applicable □N/A

1. Details on the use of raised funds

√Applicable □N/A

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Unit: RMB 10,000

Source of raised funds	Name of project	Nature of project	Whether it is a committed investment project in the prospectus or offering memorandum	Whether it involves a change in investment direction	Planned total investment amount of raised funds (1)	Amount invested in the current year	Cumulative total amount of raised funds invested as of the end of the reporting period (2)	Cumulative investment progress as of the end of the reporting period (%) (3)=(2)/(1)	Date the project is expected to be ready for its intended use	Whether the project has been completed	Whether the investment progress is in line with the planned schedule	Specific reasons why the investment progress has not met the planned schedule	Benefits realized in the current year	Benefits or R&D achievements realized by this project	Whether there have been any significant changes in the project's feasibility; if so, please provide details	Surplus amount
Issuance of shares to specific investors	10MW-class Offshore Floating Wind Turbine Design and R&D Project	RD	Yes	No	38,122.95	-	38,122.95	100	2024-10-31	Yes	Yes	None	-	N/A	No	23,472.05
Issuance of shares to specific investors	Shanwei Marine Engineering Base (Lufeng) Project - MYSE Offshore Wind Power Industrial Park Engineering	Production and construction	Yes	Yes	60,840.21	-	60,840.21	100	2024-12-31	Yes	/	/	-	N/A	/	89,111.20
Issuance of shares to specific investors	Beijing Jieyuan's Donggouhe Phase I (50MW) Wind Power Project in Shan County, Heze City, Shandong Province	Production and construction	Yes	No	7,065.53	-	7,065.53	100	2021-1-10	Yes	Yes	None	-	Project transferred	No	-
Issuance of shares to specific investors	Baimie Wind Farm Engineering Project in Pingle County	Production and construction	Yes	No	38,983.98	-	38,983.98	100	2021-4-30	Yes	Yes	None	893.18	7,051.39	No	-
Issuance of shares to specific investors	Mingyang's Qilongshan Wind Power Project in Xin County	Production and construction	Yes	No	32,868.31	-	32,868.31	100	2021-4-30	Yes	Yes	None	-	Project transferred	No	-
Issuance of shares to specific investors	Hongliu 100MW Wind Power Project in Xin County	Production and construction	Yes	No	60,184.88	-	60,184.88	100	2021-4-30	Yes	Yes	None	-	Project transferred	No	-
Issuance of shares to specific investors	Beijing Jieyuan's Xiakou Wind Power Project in Qingtongxia City	Production and construction	Yes	No	56,278.15	-	56,278.15	100	2021-4-30	Yes	Yes	None	-	Project transferred	No	2,052.81
Issuance of shares to specific investors	Hybrid Tower Production Base Construction Project	Production and construction	Yes	Yes	2,579.69	-	2,579.69	100	2023-12-31	Yes	/	/	-	N/A	/	37,125.22
Issuance of shares to specific investors	Mingyang Huangchuan 100MW Wind Power Project of Xinyang Huangming New Energy Co., Ltd.	Production and construction	Yes	No	37,125.22	-	37,125.22	100	2024-3-31	Yes	Yes	None	-	Project transferred	No	-

Issuance of shares to specific investors	Zhangjiakou Mingyang Chabei Alibaba Data Center Integrated Source-Grid-Load-Storage Project	Production and construction	Yes	No	92,472.05	47,217.18	48,622.98	53	2026-12-31	No	No	Note 1	-	N/A	No	-
Issuance of shares to specific investors	Mingyang Yumen Xinminbu 100,000 kW Wind Farm Project	Production and construction	Yes	No	20,111.20	6,583.75	20,111.20	100	2026-6-30	No	No	Note 2	-	N/A	No	-
Issuance of shares to specific investors	Repayment of Bank Loans	Liquidity supplement and loan repayment	Yes	No	130,572.56	-	130,572.56	100	N/A	N/A	Yes	None	-	N/A	No	-
Total	/	/	/	/	577,204.73	53,800.93	533,355.66	/	/	/	/	/	893.18	/	/	151,761.28

Note 1: The main construction of the project's booster station and the hoisting of some wind turbines have been completed, and the collector lines are ready for energization. However, due to local persistent heavy rainfall, early arrival of winter and other climatic conditions, the construction window was severely shortened, which affected the overall progress of the project. The construction of the project's power transmission lines involves complex and lengthy procedures for forest and land use, requiring approvals from multiple departments. Construction of the transmission lines cannot begin until the prerequisite administrative approvals and other formalities are completed. The project is planned to be connected to the Yinsha 220KV Substation, constructed by State Grid Jibei Electric Power Company Limited Zhangjiakou Power Supply Company. To ensure the coordination and stability of the entire power system, such company needs to comprehensively upgrade the busbar system of the Yinsha Substation, and this upgrade has not yet been completed. On December 23, 2025, the Company held the 15th meeting of the Audit Committee of the third Board and the 28th meeting of the third Board, at which the Proposal on Adjusting the Implementation Schedule of Certain Fund-Raising Investment Projects was deliberated and approved, adjusting the completion date for the Mingyang Chabei Project to December 31, 2026.

Note 2: The main construction works of the project have been completed as scheduled and are ready for reverse power transmission to the State Grid. However, as the project is planned to be connected to the Yumen 750kV substation construction project undertaken by State Grid Gansu Electric Power Company, its decision-making, design, and construction periods were extended compared to previous expectations due to constraints from the State Grid's overall annual planning. On December 23, 2025, the Company held the 15th meeting of the Audit Committee of the third Board and the 28th meeting of the third Board, at which the Proposal on Adjusting the Implementation Schedule of Certain Fund-Raising Investment Projects was deliberated and approved, adjusting the completion date for the Mingyang Xinminbu Project to June 30, 2026.

2. Details on the use of over-raised funds

Applicable N/A

3. Specifics of the re-evaluation of fund-raising investment projects during the reporting period

Applicable N/A

**(III) Changes or termination of fund-raising investment projects during the reporting period**

Applicable N/A

**(IV) Other uses of raised funds during the reporting period**

1. Pre-investment and replacement for fund-raising investment projects

Applicable N/A

2. Use of idle raised funds to temporarily replenish working capital

Applicable N/A

3. Cash management of idle raised funds and investment in related products

Applicable N/A

Unit: RMB 10,000 Currency: RMB

Date of deliberation by the Board	Effective approved limit of raised funds for cash management	Start date	End date	Cash management balance at the end of the reporting period	Whether the maximum balance during the period exceeds the authorized limit
July 22, 2025	50,000.00	July 22, 2025	July 21, 2026	-	No

Other explanations

None

4. Others

Applicable N/A

**(V) Concluding opinions of the intermediary agencies on the special verification and assurance of the deposit and use of raised funds**

Applicable N/A

**1. Concluding opinions of the sponsor on the special verification report on the deposit and use of the Company's annual raised funds:**

Upon verification, the sponsor, CITIC Securities Company Limited, believes that the 2025 annual special report prepared by the Company's Board complies with the provisions of the Rules for the Supervision of Raised Funds of Listed Companies and the Self-Regulatory Guidelines for Listed Companies No. 1 of the Shanghai Stock Exchange - Standardized Operation, as well as the provisions of relevant format guidelines.

**2. Concluding opinions in assurance report issued by the accounting firm on the deposit and use of the Company's annual raised funds:**

Ernst & Young Hua Ming LLP (Special General Partnership) issued an assurance report on the deposit, management, and actual use of the Company's raised funds for 2025, concluding that the company's special report on raised funds has, in all material respects, been prepared in accordance with the Rules for the Supervision of Raised Funds of Listed Companies and the Self-Regulatory Guidelines for Listed Companies No. 1 of the Shanghai Stock Exchange - Standardized Operations and related formatting guidelines, and truthfully reflects the deposit, management, and actual use of raised funds by the Company for 2025.

Explanation of relevant circumstances of verification anomalies

Applicable N/A

**(VI) Subsequent rectification of unauthorized changes in the use of raised funds and irregular appropriation of raised funds**

Applicable N/A

**XV. Explanation of other major matters that have a significant impact on investors' value judgment and investment decisions**

√Applicable □N/A

**(I) Listing of the Asset-Backed Special Plan for Hold-Type Real Estate**

On September 25, 2025 and November 19, 2025, the Company held the 24th meeting of the third Board and the 27th meeting of the third Board, respectively, at which the relevant proposals on the application and issuance of the Asset-Backed Special Plan for Hold-Type Real Estate were deliberated and approved.

The special plan was accepted by the Shanghai Stock Exchange on September 26, 2025. On December 2, 2025, the Shanghai Stock Exchange issued the Letter of No Objection to the Listing and Transfer of the Asset-Backed Securities in CSC-MYSE New Energy Asset-Backed Special Plan for Hold-Type Real Estate (SZH [2025] No. 3934). On January 23, 2026, the CSC-MYSE New Energy Asset-Backed Special Plan for Hold-Type Real Estate was officially listed on the Shanghai Stock Exchange.

**(II) Proposed issuance of shares and cash payment for the acquisition of Uniwatt Technology Co., Ltd.**

On January 22, 2026, the Company held the 30th meeting of the third Board, at which the Proposal on the Proposal of Ming Yang Smart Energy Group Limited on Issuance of Shares and Cash Payment for Asset Acquisition, Raising of Supporting Funds and Related-Party Transactions and its Summary was deliberated and approved. The Company intended to acquire 100% equity of Uniwatt Technology Co., Ltd. and raise supporting funds through the issuance of shares and payment of cash, constituting a related-party transaction. The transaction is not expected to constitute a major asset restructuring.

On January 23, 2026, the Company received the Inquiry Letter on the Information Disclosure of the Proposal of Ming Yang Smart Energy Group Limited on Issuance of Shares and Cash Payment for Asset Acquisition (SZGH [2026] No. 0129) (hereinafter referred to as the "Inquiry Letter") from the Listed Company Management Department I of the Shanghai Stock Exchange. The Company organized relevant parties to carefully verify, analyze, and study the relevant matters, responded to the contents of the Inquiry Letter item by item, revised and supplemented the disclosure of the Proposal of Ming Yang Smart Energy Group Limited on Issuance of Shares and Cash Payment for Asset Acquisition, Raising of Supporting Funds and Related-Party Transactions and its summary. For details, please refer to the Proposal of Ming Yang Smart Energy Group Limited on Issuance of Shares and Cash Payment for Asset Acquisition, Raising of Supporting Funds and Related-Party Transactions (Revised Draft) and relevant announcements.

As of the disclosure date of this Report, the audit, valuation, and legal due diligence for the Target Assets involved in the Transaction are in progress.

**(III) Proposed issuance of medium-term notes**

On February 9, 2026, the Company held the 31st meeting of the third Board, at which the Announcement on the Proposed Issuance of Medium-Term Notes was deliberated and approved. It approved the Company's application to register with the National Association of Financial Market Institutional Investors for the issuance of medium-term notes with a total amount of no more than RMB 3 billion (inclusive). Within the registered issuance limit and validity period, the Company plans to issue the aforesaid medium-term notes in one or multiple tranches in accordance with market conditions, interest rate fluctuations and the Company's capital requirements. As of the disclosure date of this Report, the Company has successfully issued the first tranche of green sci-tech innovation bonds of 2026, with a total issuance amount of RMB 500 million.

## Section VI Changes in shares and shareholder information

### I. Changes in share capital

#### (I) Statement of changes in shares

##### 1. Statement of changes in shares

Unit: share

	Before this change		Increase/decrease in this change (+, -)					After this change	
	Number	Percentage (%)	Issuance of new shares	Bonus issue	Conversion of capital reserve into share capital	Other	Subtotal	Number	Percentage (%)
I. Restricted shares	97,500	0.004				-97,500	-97,500	-	-
1. State-held shares	-	-				-	-	-	-
2. State-owned legal person-held shares	-	-				-	-	-	-
3. Other domestic-held shares	97,500	0.004				-97,500	-97,500	-	-
Including: domestic non-state-owned legal person-held shares	-	-				-	-	-	-
Domestic natural person-held shares	97,500	0.004				-97,500	-97,500	-	-
4. Foreign-held shares	-	-				-	-	-	-
Including: foreign legal person-held shares	-	-				-	-	-	-
Foreign natural person-held shares	-	-				-	-	-	-
II. Non-restricted tradable shares	2,271,496,706	99.996				-10,000,000	-10,000,000	2,261,496,706	100
1. RMB-denominated ordinary shares	2,271,496,706	99.996				-10,000,000	-10,000,000	2,261,496,706	100
2. Domestically listed foreign shares	-	-				-	-	-	-
3. Foreign-listed foreign shares	-	-				-	-	-	-
4. Others	-	-				-	-	-	-
III. Total number of shares	2,271,594,206	100.000				-10,097,500	-10,097,500	2,261,496,706	100

## 2. Explanation of changes in shares

√Applicable N/A

### (1) Repurchase and cancellation of partial restricted shares

On October 21, 2024, the Company held the 14th meeting of the third Board of Directors and the 9th meeting of the third Board of Supervisors, at which the Proposal on the Repurchase and Cancellation of Restricted Stock Granted but Not Yet Released from Restrictions Held by Part of the Incentive Recipients under the 2019 Restricted Stock Incentive Plan was deliberated and approved, agreeing to repurchase and cancel 97,500 restricted shares granted but not yet released from restrictions, held by 6 incentive recipients who resigned for personal reasons or failed the assessment. The cancellation of the above-mentioned shares was completed on January 16, 2025..

### (2) Cancellation of repurchased shares

On May 4, 2023, the Company convened the thirty-ninth meeting of the second Board, at which the Proposal on the Plan for Share Repurchase Through Centralized Bidding was deliberated and approved. From May 4, 2023 to February 2, 2024, the Company repurchased 89,813,484 shares through centralized bidding transactions. On September 25, 2025, the Company held the 24th meeting of the third Board, at which the Proposal on Changing the Purpose of and Partially Cancelling the Repurchased Shares was deliberated and approved. The Company changed the purpose of the repurchased shares and cancelled 10,000,000 shares. The cancellation of the above-mentioned shares was completed on December 9, 2025.

## 3. Impact of changes in shares on financial indicators such as earnings per share and net assets per share in the last year and the latest period (if any)

√Applicable N/A

At the beginning of the reporting period, the total number of ordinary shares of the Company was 2,271,594,206. During the reporting period, the changes in the Company's shares were as follows:

(1) Given that six of the incentive recipients under the 2019 Restricted Stock Incentive Plan were no longer eligible for the incentives due to their resignation for personal reasons, the Company's Board, as authorized by the Company's 2019 annual general meeting, decided to repurchase and cancel the restricted shares granted to them but not yet released from restrictions. The cancellation of a total of 97,500 restricted shares for the above six incentive recipients was completed on January 16, 2025.

(2) On September 25, 2025, the Company held the 24th meeting of the third Board, at which the Proposal on Changing the Purpose of and Partially Cancelling the Repurchased Shares was deliberated and approved. The Company changed the purpose of the repurchased shares and cancelled 10,000,000 shares. The cancellation of the above-mentioned shares was completed on December 9, 2025.

As of the end of the reporting period, the total number of ordinary shares of the Company decreased to 2,261,496,706 shares. The above share changes do not have a material impact on the Company's earnings per share, net assets per share, or other financial indicators for the most recent year and the most recent period.

**4. Other matters that the Company deems necessary to disclose or that are required to be disclosed by the securities regulatory authorities**√Applicable N/A

On December 15, 2022, the Company's former co-controlling shareholders, Zhongshan Ruixin, Hainan Boyun, First Base, Wiser Tyson, and Keycorp, entrusted all voting rights corresponding to the 375,666,412 shares they held in total, representing 16.53% of the Company's total share capital at that time (i.e., 2,272,085,706 shares), to Energy Investment Group.

On November 30, 2023, Beihai Ruiyue, a shareholder of the Company, entrusted all voting rights corresponding to the 2,262,876 shares of MYSE it held, representing 0.10% of the Company's total share capital at that time (i.e., 2,271,759,206 shares), to Energy Investment Group.

As of December 31, 2025, the Company's total share capital was 2,261,496,706 shares. The pledge details of the controlling shareholder and related shareholders are as follows:

Name of shareholder	Number of shares held (in ten thousand shares)	Shareholding percentage	Cumulative number of pledged shares (in ten thousand shares)	Percentage of total shares held	Percentage of the Company's total share capital
Energy Investment Group	20,005.1612	8.85%	8,646.0000	43.22%	3.82%
Hainan Boyun	3,664.7003	1.62%	-	-	-
Zhongshan Ruixin	1,780.3587	0.79%	-	-	-
Beihai Ruiyue	226.2876	0.10%	-	-	-
First Base	11,947.0011	5.28%	11,400.0000	95.42%	5.04%
Wiser Tyson	15,706.2475	6.95%	4,500.0000	28.65%	1.99%
Keycorp	4,468.3336	1.98%	839.0000	18.78%	0.37%
Total	57,798.0900	25.56%	25,385.0000	43.92%	11.22%

**(II) Changes in restricted shares**√Applicable N/A

Unit: share

Name of shareholder	Number of restricted shares at the beginning of the year	Number of shares released from restriction this year	Increase in restricted shares this year	Number of restricted shares at the end of the year	Reason for restriction	Date of release from restriction
Initial grant of restricted stock to employees under the 2019 equity incentive plan	77,500	-	-	-	Equity incentive	-
Reserved portion of restricted stock for employees under the 2019 equity incentive plan	20,000	-	-	-	Equity incentive	-
Total	97,500	-	-	-	/	/

Note: in accordance with the relevant provisions of the Administrative Measures for Equity Incentives of Listed Companies and the Company's 2019 Restricted Stock Incentive Plan (Revised Draft), given that a total of 6 incentive recipients under the Company's 2019 Restricted Stock Incentive Plan resigned or failed the assessment, involving a total of 97,500 restricted shares, the Company's Board, as authorized by the Company's 2019 annual general meeting, decided to repurchase and cancel the restricted shares granted to them but not yet released from restrictions. The cancellation of the above-mentioned shares was completed on January 16, 2025.

## II. Securities issuance and listing

### (I) Securities issuance during the reporting period

Applicable N/A

Explanation of securities issuance during the reporting period (for bonds with different interest rates during their duration, please provide separate explanations):

Applicable N/A

### (II) Changes in the Company's total shares and shareholder structure, and changes in the Company's asset and liability structure

Applicable N/A

At the beginning of the reporting period, the total number of ordinary shares of the Company was 2,271,594,206. During the reporting period, the changes in the Company's shares were as follows:

(1) Given that six of the incentive recipients under the 2019 Restricted Stock Incentive Plan were no longer eligible for the incentives due to their resignation for personal reasons, the Company's Board, as authorized by the Company's 2019 annual general meeting, decided to repurchase and cancel the restricted shares granted

to them but not yet released from restrictions. The cancellation of a total of 97,500 restricted shares for the above six incentive recipients was completed on January 16, 2025.

(2) On September 25, 2025, the Company held the 24th meeting of the third Board, at which the Proposal on Changing the Purpose of and Partially Cancelling the Repurchased Shares was deliberated and approved. The Company changed the purpose of the repurchased shares and cancelled 10,000,000 shares. The cancellation of the above-mentioned shares was completed on December 9, 2025.

After the Company repurchased and cancelled some restricted shares and cancelled some repurchased shares, the total number of the Company's ordinary shares decreased to 2,261,496,706 shares at the end of the reporting period. For details on the changes in the total shares and shareholder structure, see "I. Changes in share capital" in this Section.

At the beginning of the reporting period, the total assets were RMB 86.795 billion, the total liabilities were RMB 59.531 billion, and the asset-liability ratio was 68.59%. At the end of the reporting period, the total assets were RMB 96.854 billion, the total liabilities were RMB 69.466 billion, and the asset-liability ratio was 71.71%, representing an increase compared to 2024.

### (III) Existing internal employee shares

Applicable N/A

## III. Shareholders and Actual Controllers

### (I) Total number of shareholders

Total number of ordinary shareholders at the end of the reporting period (accounts)	128,434
Total number of ordinary shareholders at the end of the month prior to the disclosure date of the annual report (accounts)	138,428
Total number of preferred shareholders with restored voting rights at the end of the reporting period (accounts)	N/A
Total number of preferred shareholders with restored voting rights at the end of the month prior to the disclosure date of the annual report (accounts)	N/A

### (II) Shareholding of the top ten shareholders and top ten tradable shareholders (or shareholders of non-restricted shares) as of the end of the reporting period

Unit: share

Shareholding of the top ten shareholders (excluding shares lent through securities refinancing)							
Name of shareholder (Full name)	Increase/decrease during the reporting period	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to selling restrictions	Pledged, marked or frozen		Nature of shareholder
					Status of shares	Number	
WISER TYSON INVESTMENT CORP LIMITED	-	157,062,475	6.95	-	Pledged	45,000,000	Overseas legal person
FIRST BASE INVESTMENTS LIMITED	-	119,470,011	5.28	-	Pledged	114,000,000	Overseas legal person
Mingyang New Energy Investment Holding Group Co., Ltd.	-	113,591,612	5.02	-	None	-	Domestic non-state- owned legal person
Hong Kong Securities Clearing Company Limited	-14,696,297	61,068,362	2.70	-	None	-	Other
Mingyang New Energy Investment Holding Group Co., Ltd. - Special pledge account for non-public issuance of exchangeable corporate bonds (first tranche) to professional investors in 2023	-	50,640,000	2.24	-	Pledged	50,640,000	Domestic non-state- owned legal person
KEYCORP LIMITED	-	44,683,336	1.98	-	Pledged	8,390,000	Overseas legal person
China Pacific Life Insurance Co., Ltd. - Dividends - Personal Dividends	4,836,300	38,882,507	1.72	-	None	-	Other
Basic endowment insurance fund 1205 portfolio	31,850,190	38,391,236	1.70	-	None	-	Other
Hainan Boyun Investment Partnership (Limited Partnership)	-	36,647,003	1.62	-	None	-	Domestic non-state- owned legal person
Mingyang New Energy Investment Holding Group Co., Ltd. - Special pledge account for non-public issuance of exchangeable corporate bonds (first tranche) to professional investors in 2024	-	35,820,000	1.58	-	Pledged	35,820,000	Domestic non-state- owned legal person
Shareholding of the top ten non-restricted shareholders (excluding shares lent through securities refinancing)							

Name of shareholder	Number of shares not subject to selling restrictions held	Type and number of shares	
		Type	Number
WISER TYSON INVESTMENT CORP LIMITED	157,062,475	RMB-denominated ordinary shares	157,062,475
FIRST BASE INVESTMENTS LIMITED	119,470,011	RMB-denominated ordinary shares	119,470,011
Mingyang New Energy Investment Holding Group Co., Ltd.	113,591,612	RMB-denominated ordinary shares	113,591,612
Hong Kong Securities Clearing Company Limited	61,068,362	RMB-denominated ordinary shares	61,068,362
Mingyang New Energy Investment Holding Group Co., Ltd. - Special pledge account for non-public issuance of exchangeable corporate bonds (first tranche) to professional investors in 2023	50,640,000	RMB-denominated ordinary shares	50,640,000
KEYCORP LIMITED	44,683,336	RMB-denominated ordinary shares	44,683,336
China Pacific Life Insurance Co., Ltd. - Dividends - Personal Dividends	38,882,507	RMB-denominated ordinary shares	38,882,507
Basic endowment insurance fund 1205 portfolio	38,391,236	RMB-denominated ordinary shares	38,391,236
Hainan Boyun Investment Partnership (Limited Partnership)	36,647,003	RMB-denominated ordinary shares	36,647,003
Mingyang New Energy Investment Holding Group Co., Ltd. - Special pledge account for non-public issuance of exchangeable corporate bonds (first tranche) to professional investors in 2024	35,820,000	RMB-denominated ordinary shares	35,820,000
Explanation of the special account for repurchase among the top ten shareholders	There is a special account for repurchase among the Company's top ten shareholders. As of December 31, 2025, the special securities account for repurchase of Ming Yang Smart Energy Group Limited held a total of 101,329,984 shares of the Company, accounting for 4.48% of the Company's total share capital.		
Explanation of voting rights entrustment and waiver by the above shareholders	The above shareholders, WISER TYSON INVESTMENT CORP LIMITED, FIRST BASE INVESTMENTS LIMITED, KEYCORP LIMITED, and Hainan Boyun Investment Partnership (Limited Partnership), have entrusted all their voting rights attached to the shares held by them to the controlling shareholder, Mingyang New Energy Investment Holding Group Co., Ltd.		

<p>Information of the above-mentioned shareholders' related relationships or concerted actions</p>	<p>(1) Due to the non-public issuance of exchangeable corporate bonds by the controlling shareholder, Mingyang New Energy Investment Holding Group Co., Ltd., the shares were pledged to Shenwan Hongyuan Securities Co., Ltd. through the transfer and registration with China Securities Depository and Clearing Co., Ltd., and independently registered as shareholder accounts, "Mingyang New Energy Investment Holding Group Co., Ltd. - Special pledge account for non-public issuance of exchangeable corporate bonds (first tranche) to professional investors in 2023" and "Mingyang New Energy Investment Holding Group Co., Ltd. - Special pledge account for non-public issuance of exchangeable corporate bonds (first tranche) to professional investors in 2024". Mingyang New Energy Investment Holding Group Co., Ltd. holds a total of 200,051,612 shares of the Company.</p> <p>(2) Among the above shareholders, WISER TYSON INVESTMENT CORP LIMITED, FIRST BASE INVESTMENTS LIMITED, Mingyang New Energy Investment Holding Group Co., Ltd. (including "Mingyang New Energy Investment Holding Group Co., Ltd. - Special pledge account for non-public issuance of exchangeable corporate bonds (first tranche) to professional investors in 2023" and "Mingyang New Energy Investment Holding Group Co., Ltd. - Special pledge account for non-public issuance of exchangeable corporate bonds (first tranche) to professional investors in 2024"), KEYCORP LIMITED, and Hainan Boyun Investment Partnership (Limited Partnership) are under the common control of the Company's Actual Controllers, Chuanwei Zhang, Ling Wu, and Rui Zhang, and are therefore related parties.</p>
<p>Explanation of preferred shareholders with restored voting rights and their shareholdings</p>	<p>N/A</p>

Share lending in securities refinancing business by shareholders holding more than 5% of shares, the top ten shareholders, and the top ten non-restricted tradable shareholders

Applicable N/A

Changes in the top ten shareholders and the top ten non-restricted tradable shareholders compared to the previous period due to lending/returning of shares in securities refinancing

Applicable N/A

Number of shares held by the top ten restricted shareholders and the restriction conditions

Applicable N/A

**(III) Strategic investors or general legal persons becoming top 10 shareholders due to new share placements**

Applicable N/A

**IV. Controlling shareholder and Actual Controllers****(I) Controlling shareholder****1. Legal person**

Applicable N/A

Name	Mingyang New Energy Investment Holding Group Co., Ltd.
Unit head or legal representative	Chuanwei Zhang
Date of establishment	September 12, 2007
Main business operations	Investment management and consulting; business management consulting; property management; technology promotion services; import and export of goods and technologies.
Equity holdings in other domestic and foreign listed companies controlled or invested in during the reporting period	Mingyang New Energy Investment Holding Group Co., Ltd. indirectly holds 43.91% of the shares of Guangdong Mingyang Electric Co., Ltd. (301291.SZ) through Zhongshan Mingyang Electrical Appliances Co., Ltd. and Zhongshan Zhichuang Technology Investment Management Co., Ltd.
Other explanations	None

**2. Natural person**

Applicable N/A

**3. Special explanations on the absence of a controlling shareholder**

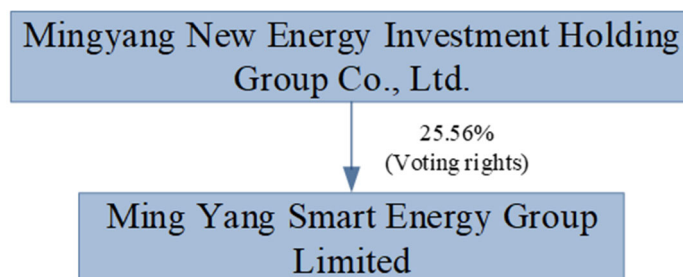
Applicable N/A

**4. Explanations on changes in the controlling shareholder during the reporting period**

Applicable N/A

**5. Block diagram of the ownership and control relationship between the Company and its controlling shareholder**

Applicable N/A



Note 1: the shareholding percentage of the controlling shareholder is calculated based on the Company's total share capital at the end of the reporting period (i.e., 2,261,496,706 shares).

Note 2: the controlling shareholder, Mingyang New Energy Investment Holding Group Co., Ltd., directly holds 8.85% of the Company's shares. After the entrustment of all voting rights from related

shareholders, Mingyang New Energy Investment Holding Group Co., Ltd. controls the voting rights corresponding to 25.56% of the Company's shares.

## (II) Actual controllers

### 1. Legal person

Applicable N/A

### 2. Natural persons

Applicable N/A

Name	Chuanwei Zhang
Nationality	China
Whether holding residency in other countries or regions	No
Primary occupation and position	Deputy to the 12th and 13th National People's Congress, Chairman and CEO (General Manager) of the Company, Chairman of Guangdong Mingyang Electric Co., Ltd.
Domestic and foreign listed companies controlled in the past 10 years	From 2010 to 2015, he was the actual controller of China Ming Yang, a company listed on the Main Board of the New York Stock Exchange in the United States. Since 2023, he has been the actual controller of Guangdong Mingyang Electric Co., Ltd., a company listed on the ChiNext Market of the Shenzhen Stock Exchange.
Name	Ling Wu
Nationality	Federation of Saint Kitts and Nevis
Whether holding residency in other countries or regions	Yes
Primary occupation and position	None
Domestic and foreign listed companies controlled in the past 10 years	From 2010 to 2015, she was the actual controller of China Ming Yang, a company listed on the Main Board of the New York Stock Exchange in the United States. From 2023 to October 2024, she was a person acting in concert with Chuanwei Zhang, the actual controller of Guangdong Mingyang Electric Co., Ltd., a company listed on the ChiNext Market of the Shenzhen Stock Exchange.
Name	Rui Zhang
Nationality	China
Whether holding residency in other countries or regions	No
Primary occupation and position	Director and Vice President of the Company
Domestic and foreign listed companies controlled in the past 10 years	Since 2023, he has been a person acting in concert with Chuanwei Zhang, the actual controller of Guangdong Mingyang Electric Co., Ltd., a company listed on the ChiNext Market of the Shenzhen Stock Exchange.

### 3. Special explanations on the absence of an actual controller

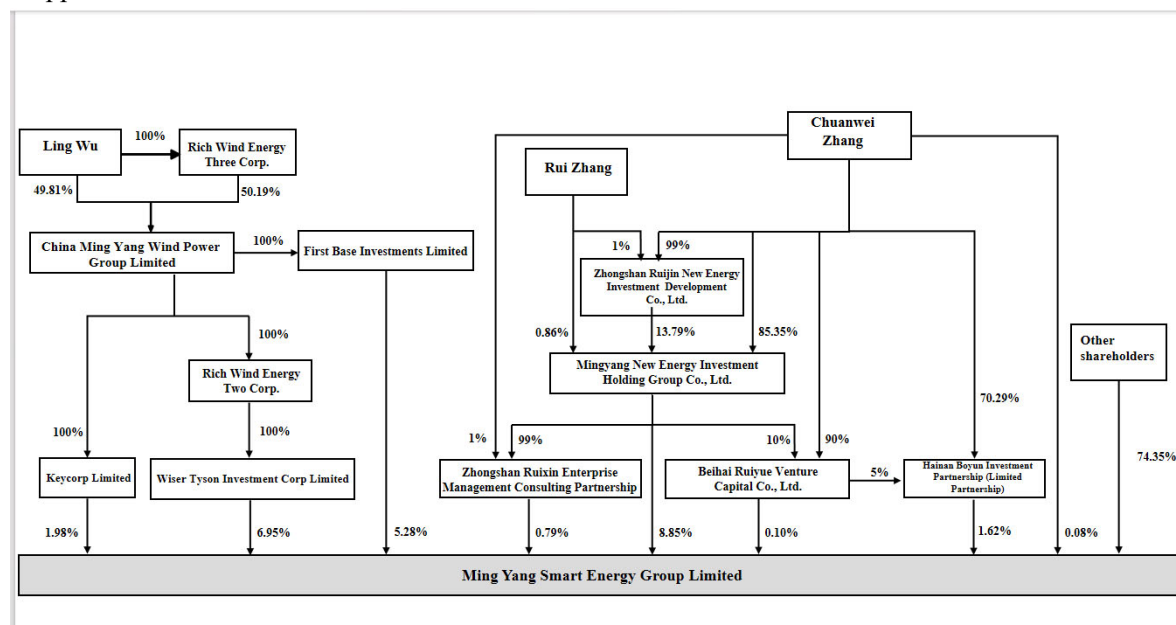
Applicable N/A

**4. Explanations on changes in the Company's control during the reporting period**

Applicable N/A

**5. Block diagram of the ownership and control relationship between the Company and its Actual Controllers**

Applicable N/A



**6. The Actual Controllers control the Company through trusts or other asset management arrangements**

Applicable N/A

**(III) Other information about the controlling shareholder and Actual Controllers**

Applicable N/A

**V. The cumulative number of pledged shares by the Company's controlling shareholder or the largest shareholder and their concerted parties accounts for more than 80% of their total shareholding in the Company**

Applicable N/A

**VI. Other corporate shareholders holding more than 10% of the shares**

Applicable N/A

**VII. Explanation on restrictions on shareholding reduction**

Applicable N/A

**VIII. Specific implementation of share repurchase during the reporting period**

Applicable N/A

Unit: RMB 10,000 Currency: RMB

Name of the share repurchase plan	Share repurchase through centralized bidding
Disclosure date of the share repurchase plan	May 5, 2023
Proposed number of shares to be repurchased and its percentage of the total share capital (%)	The estimated number of shares to be repurchased was 25-50 million, accounting for 1.10% to 2.20% of the Company's then total share capital (i.e., 2,272,085,706 shares)
Proposed repurchase amount	50,000-100,000
Proposed repurchase period	Within 12 months from May 4, 2023
Purpose of repurchase	For the ESOP or equity incentives (Original purpose of repurchase: for the Company's equity incentives, see Note 1 for details)
Number of shares already repurchased (shares)	Number of shares repurchased during the repurchase period: 89,813,484 Remaining number of shares to be repurchased under this plan at the end of the reporting period: 70,023,484 (see Note 1 for details)
Percentage of repurchased shares in the underlying shares involved in the equity incentive plan (%) (if any)	100% (see Note 1 for details)
Progress of the Company's reduction of repurchased shares through centralized bidding	N/A

Note 1: the Company held the 24th meeting of the third Board on September 25, 2025 and the third extraordinary Shareholders' Meeting of 2025 on October 10, 2025, respectively, at which proposals such as the Proposal on Changing the Purpose of and Partially Cancelling the Repurchased Shares, the Proposal on the Company's 2025 Stock Option Incentive Plan (Draft) and its Summary, and the Proposal on the 2025 Employee Stock Ownership Plan (Draft) and its Summary were deliberated and approved. On October 22, 2025, the Company held the 25th meeting of the third Board, at which the Proposal on Granting Stock Options to Incentive Recipients of the 2025 Stock Option Incentive Plan was deliberated and approved. In summary, the changes to this share repurchase plan during the reporting period were as follows:

- (1) Purpose of repurchase: for the ESOP or equity incentives
- (2) Partial cancellation of repurchased shares: 10 million shares (cancellation completed on December 9, 2025)
- (3) Use of repurchased shares: 19.95 million shares for the Company's 2025 Stock Option Incentive Plan (grant registration for the 2025 Stock Option Incentive Plan was completed on December 1, 2025)
- (4) Use of repurchased shares: 9.79 million shares for the Company's 2025 ESOP (non-trade transfer completed on December 26, 2025)

Unit: RMB 10,000 Currency: RMB

Name of the share repurchase plan	The second phase of share repurchase through centralized bidding
Disclosure date of the share repurchase plan	February 21, 2024
Proposed number of shares to be repurchased and its percentage of the total share capital (%)	The estimated number of shares to be repurchased was 20-40 million, accounting for 0.88% to 1.76% of the Company's then total share capital (i.e., 2,271,759,206 shares)
Proposed repurchase amount	30,000-60,000

Proposed repurchase period	Within 3 months from February 19, 2024
Purpose of repurchase	To maintain the Company's value and the rights and interests of shareholders
Number of shares already repurchased (shares)	31,306,500
Percentage of repurchased shares in the underlying shares involved in the equity incentive plan (%) (if any)	N/A
Progress of the Company's reduction of repurchased shares through centralized bidding	N/A

**IX. Information on preference shares**

Applicable N/A

**Section VII Information on bonds****I. Corporate bonds (including enterprise bonds) and non-financial corporate debt financing instruments**

Applicable N/A

**II. Information on convertible corporate bonds**

Applicable N/A

**Section VIII Financial Report**

For the Consolidated Financial Statements together with Independent Auditor's Report for the year ended 31 December 2025, please refer to the attached pages.

**MINGYANG SMART ENERGY GROUP CO., LTD.**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

**AUDITOR'S REPORT**

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**Independent auditor's report**  
**To the shareholders of MingYang Smart Energy Group Co., Ltd.**  
(Incorporated in the People's Republic of China with limited liability)

**Opinion**

We have audited the financial statements, which comprises the consolidated and company balance sheets of MingYang Smart Energy Group Co., Ltd. as at 31 December 2025, the consolidated and company statements of profit or loss, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the consolidated and company's financial position of MingYang Smart Energy Group Co., Ltd. as at 31 December 2025, and the consolidated and company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("CASs").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board (the "IAASB"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of MingYang Smart Energy Group Co., Ltd. in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in China. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

**Independent auditor's report**  
**To the shareholders of MingYang Smart Energy Group Co., Ltd.**  
(Incorporated in the People's Republic of China with limited liability)

**Key Audit Matters (continued)**

Key Audit Matters:	How this matter was addressed in the audit:
<i>Recognition of Revenue</i>	
<p>In 2025, the sales revenue of wind turbines and related accessories, and power station products of Mingyang Smart Energy Group Co., Ltd. and its subsidiaries (the "Group") totaled RMB35,516,467,518.20, accounting for 93.23% of the Group's operating revenue and constituting the Group's primary source of revenue.</p> <p>Revenue is one of the Group's key performance indicators. There exists an inherent risk that the management of Mingyang Smart Energy Group Co., Ltd. may manipulate revenue recognition to meet specific targets or expectations. Accordingly, we have determined the revenue recognition for sales of wind turbines and related accessories, and power station products as a key audit matter.</p> <p>Relevant disclosures in respect of the financial statements are set out in Note III-25 and Note V-48.</p>	<p>The key audit procedures performed by us in respect of the revenue recognition from sales of wind turbines and related accessories, and power station products are set out as follows:</p> <ul style="list-style-type: none"> <li>● Understood and evaluated the design of internal controls adopted by the management for the sales process of wind turbines and power station products, and tested the operating effectiveness of key controls;</li> <li>● Reviewed sales related contracts and conducted interviews with management to understand the revenue recognition policies for sales of wind turbine and power station product. On a sampling basis, inspected relevant sales related contracts, identified contractual terms and conditions pertaining to the transfer of control and revenue recognition for the aforesaid sales income, and assessed whether the accounting policies for revenue recognition comply with CASs;</li> <li>● Analyzed the rationality of fluctuations in sales revenue from wind turbines and power station products, and conducted comparative analysis on the sales revenue of similar products of peer comparable companies;</li> <li>● Performed sampling tests on the sales revenue of wind turbines and power station products, and examined supporting documents such as customer acceptance documents and delivery confirmation slips;</li> <li>● Selected samples to perform external confirmation procedures for accounts receivable;</li> <li>● Selected samples of wind turbine sales transactions occurring before and after the balance sheet date to conduct cut-off tests, verified supporting documents including customer acceptance documents, and assessed whether sales revenue was recognized in the appropriate accounting period;</li> <li>● Reviewed the presentation and disclosure of sales revenue from wind turbines and related accessories as well as power station products in the financial statements.</li> </ul>

**Independent auditor's report**  
**To the shareholders of MingYang Smart Energy Group Co., Ltd.**  
(Incorporated in the People's Republic of China with limited liability)

**Key Audit Matters (continued)**

Key Audit Matters:	How this matter was addressed in the audit:
<i>Accrual of product quality warranty provision</i>	
<p>As of 31 December 2025, the Group's provision for product quality warranty amounted to RMB1,731,062,057.99. The Group makes estimates based on sales performance, historical maintenance experience and other relevant factors.</p> <p>In view of the material amount of the provision for product quality warranty, as well as the significant estimates and judgments involved, we have identified this matter as a key audit matter.</p> <p>Relevant disclosures in the financial statements are set out in Notes III-23, III-36 and Notes V-35, V-40.</p>	<p>Our key audit procedures performed in relation to the accrual of provision for product quality warranty during the audit are as follows:</p> <ul style="list-style-type: none"> <li>● Understood and evaluated the design of internal controls adopted by management in connection with the accrual, reversal and utilisation of provision for product quality warranty, and tested the operating effectiveness of key controls;</li> <li>● Assessed the reasonableness of the estimation method for the provision for product quality warranty, and evaluated the appropriateness of the warranty provision rate by comparing historical data and actual subsequent expenses;</li> <li>● Conducted sampling tests on the actual expenses incurred for product quality warranty during the current year, and examined supporting documents including material requisition slips and expense reimbursement documents;</li> <li>● Reviewed whether there was any material reversal of unused provision for product quality warranty upon the expiry of the quality warranty period;</li> <li>● Reviewed the reasonableness of the year-end balance of provision for product quality warranty based on the quantity and status of products still within the warranty period in the market at year end, combined with the estimated provision rate;</li> <li>● Reviewed the presentation and disclosure of provision for product quality warranty in the financial statements.</li> </ul>

**Independent auditor's report****To the shareholders of MingYang Smart Energy Group Co., Ltd.**

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

**Other Information included in the Annual Report**

The management of MingYang Smart Energy Group Co., Ltd. is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management and Those Charged with Governance for the Financial Statements**

The management of MingYang Smart Energy Group Co., Ltd. is responsible for the preparation of the financial statements that give a true and fair view in accordance with in accordance with CASs, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing MingYang Smart Energy Group Co., Ltd.'s financial reporting process.

## **Independent auditor's report**

### **To the shareholders of MingYang Smart Energy Group Co., Ltd.**

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the MingYang Smart Energy Group Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause MingYang Smart Energy Group Co., Ltd. to cease to continue as a going concern.

**Independent auditor's report**

**To the shareholders of MingYang Smart Energy Group Co., Ltd.**

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within MingYang Smart Energy Group Co., Ltd. as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

**Independent auditor's report**  
**To the shareholders of MingYang Smart Energy Group Co., Ltd.**  
(Incorporated in the People's Republic of China with limited liability)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wen Boyuan.

Ernst & Young Hua Ming LLP  
Certified Public Accountants  
Beijing, the People's Republic of China  
27 April 2026

**Mingyang Smart Energy Group Co., Ltd.**  
**Consolidated Balance Sheet**  
**31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

<u>Assets</u>	<u>Note V</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Current assets</b>			
Cash and cash equivalents	1	10,648,946,857.19	14,583,771,022.88
Financial assets held for trading	2	1,353,210,184.11	1,182,821.44
Notes receivable	3	190,647,713.05	33,580,281.79
Accounts Receivable	4	16,836,798,034.54	13,776,923,643.11
Receivables designated for financing	5	955,117,792.00	964,286,203.65
Prepayments	6	868,735,535.04	716,624,965.91
Other receivables	7	1,392,616,660.69	1,206,031,526.58
Inventories	8	18,221,890,055.29	13,537,532,115.73
Contract assets	9	3,155,177,189.75	662,942,444.38
Assets held for sale		-	471,478,355.77
Non-current assets due within one year	10	1,505,150,633.22	1,982,432,437.08
Other current assets	11	<u>3,210,797,579.16</u>	<u>2,189,300,251.46</u>
<b>Total current assets</b>		<u><b>58,339,088,234.04</b></u>	<u><b>50,126,086,069.78</b></u>
<b>Non-current assets</b>			
Long-term receivables	12	103,512,426.49	10,000,000.00
Long-term equity investments	13	1,216,569,240.53	804,763,159.59
Other equity instruments	14	82,904,416.77	131,963,004.53
Other non-current financial assets	15	501,095,378.15	615,540,590.66
Investment Property	16	38,186,669.80	42,906,034.21
Fixed Assets	17	17,159,690,346.86	14,437,903,663.54
Construction in Progress	18	3,145,262,251.94	4,988,640,821.26
Right-of-use asset	19	313,883,873.80	254,570,604.39
Intangible assets	20	2,483,695,747.78	2,482,930,280.67
Expenditure on Development		463,495,207.27	227,008,615.55
Goodwill	21	87,145,931.02	68,569,375.91
Long-term deferred expenses	22	72,492,230.26	58,335,702.92
Deferred tax assets	23	1,051,141,664.41	1,220,487,147.40
Other non-current assets	24	<u>11,795,461,197.58</u>	<u>11,324,796,176.91</u>
<b>Total non-current assets</b>		<u><b>38,514,536,582.66</b></u>	<u><b>36,668,415,177.54</b></u>
<b>Total Assets</b>		<u><u><b>96,853,624,816.70</b></u></u>	<u><u><b>86,794,501,247.32</b></u></u>

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements.*

**Mingyang Smart Energy Group Co., Ltd.**  
**Consolidated Balance Sheet (continued)**  
**31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

<u>Liabilities and Shareholders' Equity</u>	<u>Note V</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Current liabilities			
Short-term borrowings	26	3,820,287,364.04	1,576,852,627.32
Bills Payable	27	12,329,684,746.90	9,517,195,130.76
Accounts Payable	28	17,901,665,179.25	13,016,725,356.61
Advances from customers	29	1,307,152.51	1,400,516.31
Contract liabilities	30	9,266,416,106.99	9,289,672,830.58
Employee benefits payable	31	376,486,013.01	365,867,281.70
Taxes payable	32	241,525,352.33	179,828,757.30
Other payables	33	3,602,818,238.83	2,471,345,185.17
Liabilities held for sale		-	265,940,037.74
Non-current liabilities due within one year	34	2,204,909,107.88	1,628,453,578.61
Other current liabilities	35	834,612,044.97	824,283,468.88
Total current liabilities		<u>50,579,711,306.71</u>	<u>39,137,564,770.98</u>
Non-current liabilities			
Long-term borrowings	36	13,582,676,284.43	13,941,868,567.24
Lease liabilities	37	267,328,810.06	179,232,500.52
Long-term payables	38	3,281,316,120.96	3,402,243,662.97
Provision	39	1,358,731,544.85	1,618,197,535.67
Deferred Income	40	317,091,340.96	363,033,611.54
Deferred tax liabilities	23	68,232,358.78	889,135,406.28
Total non-current liabilities		<u>18,875,376,460.04</u>	<u>20,393,711,284.22</u>
Total Liabilities		<u>69,455,087,766.75</u>	<u>59,531,276,055.20</u>

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements.*

**Mingyang Smart Energy Group Co., Ltd.**  
**Consolidated Balance Sheet (continued)**  
**31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

<u>Liabilities and Shareholders' Equity</u>	<u>Note V</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Shareholders' Equity			
Share Capital	41	2,261,496,706.00	2,271,594,206.00
Capital Reserve	42	16,690,116,904.38	16,833,342,902.64
Less: Treasury shares	43	1,138,444,189.99	1,310,681,503.52
Other Comprehensive Income	44	41,708,163.29	34,177,712.67
Special Reserve	45	174,861,612.05	127,720,399.63
Surplus Reserve	46	860,484,486.51	800,205,863.05
Retained earnings	47	<u>7,426,779,730.73</u>	<u>7,481,114,182.62</u>
Total equity attributable to owners of the Company		<u>26,317,003,412.97</u>	<u>26,237,473,763.09</u>
Non-controlling interests		<u>1,081,533,636.98</u>	<u>1,025,751,429.03</u>
Total Shareholders' Equity		<u>27,398,537,049.95</u>	<u>27,263,225,192.12</u>
Total Liabilities and Shareholders' Equity		<u>96,853,624,816.70</u>	<u>86,794,501,247.32</u>

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements..*

**Mingyang Smart Energy Group Co., Ltd.**  
**Consolidated Statement of Profit or Loss**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

	<u>Note V</u>	<u>2025</u>	<u>2024</u>
Operating Revenue	48	38,094,969,264.43	27,158,316,717.94
Less: Cost of sales	48	34,162,679,962.26	24,959,005,553.54
Taxes and Surcharges	49	141,550,837.94	165,000,146.28
Selling expenses	50	815,133,651.00	711,905,688.37
Administrative expenses	51	1,202,510,999.57	1,085,329,733.40
Research and development expenses	52	769,662,794.44	562,581,054.65
Finance costs	53	515,530,966.30	342,440,213.42
Including: Interest expenses	53	532,870,833.96	506,261,711.27
Interest income	53	137,080,096.04	203,650,412.13
Add: Other Income	54	238,765,010.03	522,269,922.22
Investment income	55	395,452,375.78	1,157,534,460.40
Including: investment income from associates and joint ventures	55	11,943,793.70	21,938,227.31
Gain on changes in fair value	56	73,027,653.55	(15,418,499.27)
Credit impairment losses	57	(234,591,206.28)	(288,040,043.79)
Impairment loss on assets	58	(246,099,109.49)	(254,983,485.09)
Gain on disposal of assets	59	<u>2,361,296.59</u>	<u>(1,485,730.99)</u>
Operating profit		716,816,073.10	451,930,951.76
Add: Non-operating income	60	11,613,984.58	51,584,701.64
Less: Non-operating expenses	61	<u>92,061,819.15</u>	<u>88,684,053.60</u>
Total profit		636,368,238.53	414,831,599.80
Less: Income tax expenses	62	<u>(61,288,436.38)</u>	<u>42,957,701.97</u>
Net profit		<u><u>697,656,674.91</u></u>	<u><u>371,873,897.83</u></u>
Classified by operational continuity			
Continuing operations net profit		694,529,755.51	369,968,879.80
Net profit from discontinued operations		3,126,919.40	1,905,018.03

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements..*

**Mingyang Smart Energy Group Co., Ltd.**  
**Consolidated Statement of Profit or Loss (continued)**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

	<u>Note V</u>	<u>2025</u>	<u>2024</u>
Classified by ownership			
Net profit attributable to shareholders of the parent company		659,873,732.73	346,114,493.48
Profit attributable to non-controlling interests		37,782,942.18	25,759,404.35
Net other comprehensive income after tax	44	8,025,950.00	(14,804,678.07)
Net other comprehensive income attributable to owners of the Company after tax		7,530,450.62	(15,167,238.10)
Other comprehensive income that cannot be reclassified to profit or loss		1,315,744.80	(16,922,339.33)
Changes in fair value of other equity instrument investments		<u>1,315,744.80</u>	<u>(16,922,339.33)</u>
Other comprehensive income reclassified to profit or loss		6,214,705.82	1,755,101.23
Exchange differences arising from the translation of foreign currency financial statements		<u>6,214,705.82</u>	<u>1,755,101.23</u>
Net after-tax other comprehensive income attributable to non-controlling interests	44	<u>495,499.38</u>	<u>362,560.03</u>
Total comprehensive income		<u>705,682,624.91</u>	<u>357,069,219.76</u>
Including:			
Total comprehensive income attributable to owners of the parent		667,404,183.35	330,947,255.38
Total comprehensive income attributable to non-controlling interests		38,278,441.56	26,121,964.38
Earnings per share	63		
Basic earnings per share		0.3069	0.1524
Diluted earnings per share		0.3068	0.1524

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements.*

**Mingyang Smart Energy Group Co., Ltd.**  
**Consolidated Statement of Changes in Equity**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

**2025**

	Equity attributable to owners of the Company							Non-controlling interests	Total Shareholders' Equity
	Share Capital	Capital Reserve	Less: Treasury shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	Retained earnings		
(I) Balance at the end of the previous year and at the beginning of the current year	<u>2,271,594,206.00</u>	<u>16,833,342,902.64</u>	<u>1,310,681,503.52</u>	<u>34,177,712.67</u>	<u>127,720,399.63</u>	<u>800,205,863.05</u>	<u>7,481,114,182.62</u>	<u>1,025,751,429.03</u>	<u>27,263,225,192.12</u>
(II) Amount of increase and decrease for the current year	(10,097,500.00)	(143,225,998.26)	(172,237,313.53)	7,530,450.62	47,141,212.42	60,278,623.46	(54,334,451.89)	55,782,207.95	135,311,857.83
(I) Total comprehensive income	-	-	-	7,530,450.62	-	-	659,873,732.73	38,278,441.56	705,682,624.91
(II) Contributions by and reductions of capital from shareholders	(10,097,500.00)	(143,225,998.26)	(172,237,313.53)	-	-	-	-	64,361,123.47	83,274,938.74
1. Ordinary shares issued by shareholders	-	-	-	-	-	-	-	78,018,178.45	78,018,178.45
2. The amount of share-based payment recognised in shareholders' equity	(97,500.00)	16,739,121.85	(570,385.00)	-	-	-	-	-	17,212,006.85
3. Reduction of capital or disposal of subsidiaries	-	-	-	-	-	-	-	(1,210,622.05)	(1,210,622.05)
4. Acquisition of non-controlling interests	-	1,701,808.42	-	-	-	-	-	(15,952,030.63)	(14,250,222.21)
5. Business combinations	-	-	-	-	-	-	-	3,505,597.70	3,505,597.70
6. Cancellation of treasury shares	(10,000,000.00)	(161,666,928.53)	(171,666,928.53)	-	-	-	-	-	-
(III) Profit Distribution	-	-	-	-	-	60,278,623.46	(714,208,184.62)	(48,572,100.00)	(702,501,661.16)
1. Appropriation of surplus reserve	-	-	-	-	-	60,278,623.46	(60,278,623.46)	-	-
2. Distribution to shareholders	-	-	-	-	-	-	(653,929,561.16)	(48,572,100.00)	(702,501,661.16)
(IV) Special Reserve	-	-	-	-	47,141,212.42	-	-	1,714,742.92	48,855,955.34
1. Provision made this year	-	-	-	-	117,317,743.68	-	-	3,290,293.59	120,608,037.27
2. Used in the current year	-	-	-	-	(70,176,531.26)	-	-	(1,575,550.67)	(71,752,081.93)
III. Balance at the end of the year	<u>2,261,496,706.00</u>	<u>16,690,116,904.38</u>	<u>1,138,444,189.99</u>	<u>41,708,163.29</u>	<u>174,861,612.05</u>	<u>860,484,486.51</u>	<u>7,426,779,730.73</u>	<u>1,081,533,636.98</u>	<u>27,398,537,049.95</u>

These financial statements are signed by the following persons:

Legal Representative:

Person in Charge of Accounting Work:

Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements.*

**Mingyang Smart Energy Group Co., Ltd.**  
**Consolidated Statement of Changes in Equity (continued)**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

**2024**

	Equity attributable to owners of the parent							Non-controlling interests	Total Shareholders' Equity
	Share Capital	Capital Reserve	Less: Treasury shares	Other Comprehensive Income	Special Reserve	Surplus Reserve	Undistributed profits		
(I) Balance at the end of the previous year and at the beginning of the current year	<u>2,271,759,206.00</u>	<u>17,109,242,743.56</u>	<u>560,642,480.21</u>	<u>49,344,950.77</u>	<u>74,772,468.49</u>	<u>783,825,171.42</u>	<u>7,805,339,591.68</u>	<u>1,041,914,670.95</u>	<u>28,575,556,322.66</u>
(II) Amount of increase and decrease for the current year	(165,000.00)	(275,899,840.92)	750,039,023.31	(15,167,238.10)	52,947,931.14	16,380,691.63	(324,225,409.06)	(16,163,241.92)	(1,312,331,130.54)
(I) Total comprehensive income	-	-	-	(15,167,238.10)	-	-	346,114,493.48	26,121,964.38	357,069,219.76
(II) Contributions by and reductions of capital from shareholders	(165,000.00)	(275,899,840.92)	750,039,023.31	-	-	-	-	5,274,814.30	(1,020,829,049.93)
1. Ordinary shares issued by shareholders	-	(283,774,814.30)	-	-	-	-	-	5,274,814.30	(278,500,000.00)
2. The amount of share-based payment recognised in shareholders' equity	(165,000.00)	7,874,973.38	(59,328,298.49)	-	-	-	-	-	67,038,271.87
3. Share buyback	-	-	809,367,321.80	-	-	-	-	-	(809,367,321.80)
(III) Distribution of Profits	-	-	-	-	-	16,380,691.63	(670,339,902.54)	(48,572,100.00)	(702,531,310.91)
1. Transfer to surplus reserve	-	-	-	-	-	16,380,691.63	(16,380,691.63)	-	-
2. Distribution to shareholders	-	-	-	-	-	-	(653,959,210.91)	(48,572,100.00)	(702,531,310.91)
(IV) Special Reserve	-	-	-	-	52,947,931.14	-	-	1,012,079.40	53,960,010.54
1. Provision made this year	-	-	-	-	101,132,891.65	-	-	3,282,704.77	104,415,596.42
2. Used in the current year	-	-	-	-	(48,184,960.51)	-	-	(2,270,625.37)	(50,455,585.88)
III. Balance at the end of the year	<u>2,271,594,206.00</u>	<u>16,833,342,902.64</u>	<u>1,310,681,503.52</u>	<u>34,177,712.67</u>	<u>127,720,399.63</u>	<u>800,205,863.05</u>	<u>7,481,114,182.62</u>	<u>1,025,751,429.03</u>	<u>27,263,225,192.12</u>

These financial statements are signed by the following persons:

Legal Representative:

Person in Charge of Accounting Work:

Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements.*

**Mingyang Smart Energy Group Co., Ltd.**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

	<u>Note V</u>	<u>2025</u>	<u>2024</u>
(I) Cash flows from operating activities:			
Cash received from sales of goods and rendering of services		32,297,662,094.25	28,499,452,171.18
Rebates of taxes and surcharges received		132,639,968.45	228,726,425.99
Cash received from other activities related to operating activities	64	<u>670,328,104.90</u>	<u>834,249,988.77</u>
Total cash inflows from operating activities		<u>33,100,630,167.60</u>	<u>29,562,428,585.94</u>
Cash paid for the purchase of goods and acceptance of services		31,852,510,959.71	26,385,745,177.63
Cash paid to and on behalf of employees		3,053,215,492.81	2,430,469,935.11
Taxes and duties paid		1,242,340,573.01	1,248,073,622.03
Cash paid for other operating activities	64	<u>2,490,635,211.66</u>	<u>1,901,306,673.01</u>
Total cash outflows from operating activities		<u>38,638,702,237.19</u>	<u>31,965,595,407.78</u>
Net cash flow from operating activities	65	<u>(5,538,072,069.59)</u>	<u>(2,403,166,821.84)</u>
(II) Cash flows from investing activities:			
Cash received from recovery of investments		8,601,707,991.96	1,931,726,621.29
Cash received from investment income		409,243,914.27	293,278,116.23
Net cash proceeds from the disposal of property, plant and equipment, intangible assets and other long-term assets		3,996,675.26	16,892,291.61
Net cash received from disposal of subsidiaries and other business units		359,598,012.55	1,438,523,007.61
Cash received from other activities related to investing	64	<u>112,708,928.99</u>	<u>382,637,192.41</u>
Total cash inflows from investing activities		<u>9,487,255,523.03</u>	<u>4,063,057,229.15</u>
Cash paid for the acquisition of property, plant and equipment, intangible assets and other long-term assets		2,537,943,842.92	5,647,153,839.85
Cash paid for investments		8,805,820,057.07	471,192,701.52
Net cash paid for acquisition of subsidiaries and other business units	65	<u>28,914,369.84</u>	<u>-</u>
Total cash outflows from investing activities		<u>11,372,678,269.83</u>	<u>6,118,346,541.37</u>
Net cash flow from investing activities		<u>(1,885,422,746.80)</u>	<u>(2,055,289,312.22)</u>

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial*

**Mingyang Smart Energy Group Co., Ltd.**  
**Consolidated Statement of Cash Flows (continued)**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

	<u>Note V</u>	<u>2025</u>	<u>2024</u>
III. Cash flows from financing activities:			
Cash received from investments		78,018,178.45	27,500,000.00
Including: cash received from minority shareholders' investment in subsidiaries		78,018,178.45	27,500,000.00
Cash received from borrowings		9,434,342,677.84	12,309,115,160.63
Cash received from other financing activities	64	<u>642,176,689.12</u>	<u>515,799,376.90</u>
Total cash inflows from financing activities		<u>10,154,537,545.41</u>	<u>12,852,414,537.53</u>
Cash paid to repay debt		4,981,824,415.68	3,520,304,931.69
Cash paid for dividends, profits or interest		1,094,660,768.47	1,199,313,203.85
Including: dividends and profits paid by subsidiaries to minority shareholders		48,572,100.00	48,572,100.00
Cash paid for other financing activities	64	<u>586,236,382.82</u>	<u>1,572,936,885.47</u>
Total cash outflows from financing activities		<u>6,662,721,566.97</u>	<u>6,292,555,021.01</u>
Net cash flow from financing activities		<u>3,491,815,978.44</u>	<u>6,559,859,516.52</u>
IV. Effect of changes in foreign exchange rates on cash and cash equivalents		<u>(28,422,469.41)</u>	<u>45,322,663.12</u>
5. Net increase in cash and cash equivalents		(3,960,101,307.36)	2,146,726,045.58
Add: Opening balance of cash and cash equivalents	65	<u>14,217,771,011.92</u>	<u>12,071,044,966.34</u>
VI. Balance of cash and cash equivalents at the end of the year	65	<u>10,257,669,704.56</u>	<u>14,217,771,011.92</u>

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial*

**Mingyang Smart Energy Group Co., Ltd.**  
**Balance Sheet**  
**31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

<b><u>Assets</u></b>	<b><u>Note XVI</u></b>	<b><u>31 December 2025</u></b>	<b><u>31 December 2024</u></b>
Current assets			
Cash and cash equivalents		7,210,051,681.81	10,313,010,044.29
Financial assets held for trading		1,111,216,929.83	1,182,821.44
Notes receivable		176,607,245.98	-
Accounts Receivable	1	16,584,277,892.88	13,000,209,778.03
Receivables designated for financing		916,066,099.32	912,994,530.43
Prepayments		1,002,098,063.86	887,889,018.48
Other receivables	2	10,174,924,811.53	6,471,004,606.58
Inventories		6,993,540,712.23	7,310,936,330.66
Contract assets		2,583,005,321.03	517,883,355.45
Non-current assets due within one year		1,505,150,633.22	1,982,432,437.08
Other current assets		<u>6,179,493,788.85</u>	<u>5,026,127,999.89</u>
Total current assets		<u>54,436,433,180.54</u>	<u>46,423,670,922.33</u>
Non-current assets			
Long-term receivables		93,512,426.49	-
Long-term equity investments	3	14,658,415,635.32	12,826,685,825.20
Other equity instruments		13,979,743.46	85,147,270.95
Other non-current financial assets		252,407,196.58	377,111,156.10
Fixed Assets		1,110,830,183.88	994,569,830.08
Construction in Progress		472,383,334.12	549,297,292.93
Right-of-use asset		210,218,049.60	108,644,186.84
Intangible assets		1,180,778,543.30	1,214,398,647.43
Expenditure on development		350,118,282.26	188,982,954.49
Long-term deferred expenses		18,076,408.78	19,671,894.24
Deferred tax assets		159,522,278.54	502,145,618.18
Other non-current assets		<u>11,308,845,341.01</u>	<u>11,213,390,964.54</u>
Total non-current assets		<u>29,829,087,423.34</u>	<u>28,080,045,640.98</u>
Total Assets		<u>84,265,520,603.88</u>	<u>74,503,716,563.31</u>

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial*

**Mingyang Smart Energy Group Co., Ltd.**  
**Balance Sheet (continued)**  
**31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

<u>Liabilities and Shareholders' Equity</u>	<u>Note XVI</u>	<u>31 December 2025</u>	<u>31 December 2024</u>
Current liabilities			
Short-term borrowings		829,500,000.00	771,261,250.42
Bills Payable		11,805,688,375.98	9,535,557,843.24
Accounts Payable		24,996,988,419.67	17,177,450,114.14
Contract liabilities		10,768,803,949.75	11,849,366,795.43
Employee benefits payable		160,715,581.25	136,927,014.53
Taxes Payable		8,116,108.90	37,737,635.06
Other payables		6,412,662,310.98	4,091,949,072.12
Non-current liabilities due within one year		883,963,373.44	510,657,514.64
Other current liabilities		<u>1,031,085,201.03</u>	<u>1,158,958,075.19</u>
Total current liabilities		<u>56,897,523,321.00</u>	<u>45,269,865,314.77</u>
Non-current liabilities			
Long-term borrowings		1,044,285,739.09	1,920,993,635.90
Lease liabilities		152,822,903.10	88,805,356.76
Long-term payables		932,731,214.98	942,127,723.65
Provisions		1,298,859,853.75	1,524,346,793.92
Deferred Income		105,811,214.44	114,707,776.39
Deferred tax liabilities		-	<u>774,130,936.29</u>
Total non-current liabilities		<u>3,534,510,925.36</u>	<u>5,365,112,222.91</u>
Total Liabilities		<u>60,432,034,246.36</u>	<u>50,634,977,537.68</u>
Shareholders' Equity			
Share Capital		2,261,496,706.00	2,271,594,206.00
Capital Reserve		16,978,124,911.39	17,123,052,718.07
Less: Treasury shares		1,138,444,189.99	1,310,681,503.52
Other Comprehensive Income		1,366,921.97	2,688,270.32
Surplus Reserve		860,484,486.51	800,205,863.05
Retained earnings		<u>4,870,457,521.64</u>	<u>4,981,879,471.71</u>
Total equity attributable to owners of the Company		<u>23,833,486,357.52</u>	<u>23,868,739,025.63</u>
Total Shareholders' Equity		<u>23,833,486,357.52</u>	<u>23,868,739,025.63</u>
Total Liabilities and Shareholders' Equity		<u>84,265,520,603.88</u>	<u>74,503,716,563.31</u>

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial*

**Mingyang Smart Energy Group Co., Ltd.**  
**Statement of Profit or Loss**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

	<u>Note XVI</u>	<u>2025</u>	<u>2024</u>
Operating Revenue	4	35,248,617,300.36	25,366,565,693.48
Less: Cost of sales	4	33,299,296,083.23	24,449,218,602.32
Taxes and Surcharges		18,701,849.27	68,648,218.07
Selling expenses		554,235,018.28	506,458,916.81
Administrative expenses		506,384,650.06	436,490,711.06
Research and development expenses		390,174,096.37	250,089,670.87
Finance costs		117,073,437.42	23,338,824.77
Including: Interest expenses		169,553,417.70	157,458,286.82
Interest income		148,826,652.57	184,393,241.03
Add: Other Income		107,387,983.60	380,582,872.58
Investment income	5	446,053,494.13	399,607,121.15
Including: investment income from associates and joint ventures		6,837,036.78	11,296,789.44
Gain on changes in fair value		52,149,177.55	(18,835,214.92)
Credit impairment losses		(186,775,758.71)	(75,888,995.76)
Impairment loss on assets		(199,187,955.54)	(182,169,280.51)
Gain on disposal of assets		(186,663.17)	572,230.13
Operating profit		582,192,443.59	136,189,482.25
Add: Other income		4,250,978.08	4,334,091.92
Less: Non-operating expenses		58,106,238.45	23,829,774.80
Total profit		528,337,183.22	116,693,799.37
Less: Income tax expenses		(74,449,051.33)	(47,113,116.97)
Net profit		<u>602,786,234.55</u>	<u>163,806,916.34</u>
Including: net profit from continuing operations		602,786,234.55	163,806,916.34
Net other comprehensive income after tax		(1,321,348.35)	(18,725,637.54)
Other comprehensive income that cannot be reclassified to profit or loss		(1,321,348.35)	(18,725,637.54)
Changes in fair value of other equity instrument investments		(1,321,348.35)	(18,725,637.54)
Total comprehensive income		<u>601,464,886.20</u>	<u>145,081,278.80</u>

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial*

**Mingyang Smart Energy Group Co., Ltd.**  
**Statement of Changes in Equity**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

**2025**

	Share Capital	Capital Reserve	Less: Treasury shares	Other Comprehensive Income	Surplus Reserve	Retained earnings	Total Shareholders' Equity
(I) Balance at the end of the previous year and at the beginning of the current year	<u>2,271,594,206.00</u>	<u>17,123,052,718.07</u>	<u>1,310,681,503.52</u>	<u>2,688,270.32</u>	<u>800,205,863.05</u>	<u>4,981,879,471.71</u>	<u>23,868,739,025.63</u>
(II) Amount of increase or decrease for the current year	(10,097,500.00)	(144,927,806.68)	(172,237,313.53)	(1,321,348.35)	60,278,623.46	(111,421,950.07)	(35,252,668.11)
(I) Total comprehensive income	-	-	-	(1,321,348.35)	-	602,786,234.55	601,464,886.20
(II) Contributions by and reductions of capital from shareholders	(10,097,500.00)	(144,927,806.68)	(172,237,313.53)	-	-	-	17,212,006.85
The amount of share-based payment recognised in equity	(97,500.00)	16,739,121.85	(570,385.00)	-	-	-	17,212,006.85
2. Cancellation of treasury shares	(10,000,000.00)	(161,666,928.53)	(171,666,928.53)	-	-	-	-
(III) Distribution of Profits	-	-	-	-	60,278,623.46	(714,208,184.62)	(653,929,561.16)
1. Transfer to surplus reserve	-	-	-	-	60,278,623.46	(60,278,623.46)	-
2. Distribution to shareholders	-	-	-	-	-	(653,929,561.16)	(653,929,561.16)
III. Balance at the end of the year	<u>2,261,496,706.00</u>	<u>16,978,124,911.39</u>	<u>1,138,444,189.99</u>	<u>1,366,921.97</u>	<u>860,484,486.51</u>	<u>4,870,457,521.64</u>	<u>23,833,486,357.52</u>

These financial statements are signed by the following persons:

Legal Representative:

Person in Charge of Accounting Work:

Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements.*

**Mingyang Smart Energy Group Co., Ltd.**  
**Statement of Changes in Equity (continued)**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

**2024**

	Share Capital	Capital Reserve	Less: Treasury shares	Other Comprehensive Income	Surplus Reserve	Retained earnings	Total Shareholders' Equity
(I) Balance at the end of the previous year and at the beginning of the current year	<u>2,271,759,206.00</u>	<u>17,115,177,744.69</u>	<u>560,642,480.21</u>	<u>21,413,907.86</u>	<u>783,825,171.42</u>	<u>5,488,412,457.91</u>	<u>25,119,946,007.67</u>
(II) Amount of increase and decrease for the current year	(165,000.00)	7,874,973.38	750,039,023.31	(18,725,637.54)	16,380,691.63	(506,532,986.20)	(1,251,206,982.04)
(I) Total comprehensive income	-	-	-	(18,725,637.54)	-	163,806,916.34	145,081,278.80
(II) Contributions by and reductions of capital from shareholders	(165,000.00)	7,874,973.38	750,039,023.31	-	-	-	(742,329,049.93)
1. Ordinary shares issued by shareholders	-	-	809,367,321.80	-	-	-	(809,367,321.80)
2. The amount of share-based payment recognised in shareholders' equity	(165,000.00)	7,874,973.38	(59,328,298.49)	-	-	-	67,038,271.87
(III) Distribution of Profits	-	-	-	-	16,380,691.63	(670,339,902.54)	(653,959,210.91)
1. Appropriation of surplus reserve	-	-	-	-	16,380,691.63	(16,380,691.63)	-
2. Distribution to shareholders	-	-	-	-	-	(653,959,210.91)	(653,959,210.91)
III. Balance at the end of the year	<u>2,271,594,206.00</u>	<u>17,123,052,718.07</u>	<u>1,310,681,503.52</u>	<u>2,688,270.32</u>	<u>800,205,863.05</u>	<u>4,981,879,471.71</u>	<u>23,868,739,025.63</u>

These financial statements are signed by the following persons:

Legal Representative:

Person in Charge of Accounting Work:

Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements.*

**Mingyang Smart Energy Group Co., Ltd.**  
**Statement of Cash Flows**  
**For The Year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**RMB**

	<u>Note XVI</u>	<u>2025</u>	<u>2024</u>
(I) Cash flows from operating activities:			
Cash received from sales of goods and rendering of services	32,356,310,367.97	28,407,313,502.94	
Rebates of taxes and surcharges received	15,918,620.44	33,249,152.51	
Cash received from other activities related to operating activities	<u>4,077,685,019.97</u>	<u>3,205,554,055.95</u>	
Total cash inflows from operating activities	<u>36,449,914,008.38</u>	<u>31,646,116,711.40</u>	
Cash paid for the purchase of goods and acceptance of services	32,966,296,804.68	26,540,560,861.91	
Cash paid to and on behalf of employees	891,346,816.34	708,667,078.70	
Taxes and other levies paid	595,104,609.10	548,849,019.27	
Cash paid for other operating activities	<u>2,831,258,346.27</u>	<u>3,751,995,913.06</u>	
Total cash outflows from operating activities	<u>37,284,006,576.39</u>	<u>31,550,072,872.94</u>	
Net cash flow from operating activities	<u>(834,092,568.01)</u>	<u>96,043,838.46</u>	
(II) Cash flows from investing activities:			
Cash received from recovery of investments	5,613,013,821.59	1,799,719,972.28	
Cash received from investment income	430,162,462.46	360,501,144.25	
Net cash received from the disposal of property, plant and equipment, intangible assets and other long-term assets	373,441.26	68,000.00	
Cash received from other activities related to investing	<u>4,101,312,858.07</u>	<u>5,135,653,386.62</u>	
Total cash inflows from investing activities	<u>10,144,862,583.38</u>	<u>7,295,942,503.15</u>	
Cash paid for the acquisition of property, plant and equipment, intangible assets and other long-term assets	350,643,377.40	1,076,876,664.55	
Cash paid for investments	6,501,621,931.40	1,934,251,890.87	
Cash paid for other investing activities	<u>4,286,690,708.78</u>	<u>2,683,728,831.54</u>	
Total cash outflows from investing activities	<u>11,138,956,017.58</u>	<u>5,694,857,386.96</u>	
Net cash flow from investing activities	<u>(994,093,434.20)</u>	<u>1,601,085,116.19</u>	

These financial statements are signed by the following persons:

Legal Representative:                      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial statements.*

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**

	<u>Note XVI</u>	<u>2025</u>	<u>2024</u>
III. Cash flows from financing activities:			
Cash received from borrowings		1,486,782,933.39	3,031,060,331.39
Cash received from other financing activities		<u>368,735,590.00</u>	<u>-</u>
Total cash inflows from financing activities		<u>1,855,518,523.39</u>	<u>3,031,060,331.39</u>
Cash paid to repay debt		2,175,028,392.00	1,061,400,000.00
Cash paid for dividends, profits or interest		731,806,536.10	725,336,661.91
Cash paid for other financing activities		<u>33,407,535.40</u>	<u>1,681,705,925.25</u>
Total cash outflows from financing activities		<u>2,940,242,463.50</u>	<u>3,468,442,587.16</u>
Net cash flow from financing activities		<u>(1,084,723,940.11)</u>	<u>(437,382,255.77)</u>
Effect of changes in foreign exchange rates on cash and cash equivalents		<u>(29,980,451.03)</u>	<u>31,153,728.77</u>
IV. Net increase in cash and cash equivalents		(2,942,890,393.35)	1,290,900,427.65
Add: Opening balance of cash and cash equivalents		<u>10,117,007,049.72</u>	<u>8,826,106,622.07</u>
VI. Balance of cash and cash equivalents at the end of the year		<u>7,174,116,656.37</u>	<u>10,117,007,049.72</u>

These financial statements are signed by the following persons:

Legal Representative:      Person in Charge of Accounting Work:      Head of Accounting Institution:

*The notes to the financial statements appended hereto form an integral part of these financial*

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**I. Basic Information**

Mingyang Smart Energy Group Co., Ltd. ("the Company") is a joint stock limited company registered in Zhongshan City, Guangdong Province, the People's Republic of China. It was established on 2 June 2006, and its Unified Social Credit Code for Business License is 91442000789438199M. The Company was formerly known as Mingyang Wind Power Industry Group Co., Ltd. The Company's headquarters are located at No. 22 Torch Road, Torch Development Zone, Zhongshan City, Guangdong Province.

On 22 March 2017 and 9 June 2017, all shareholders of Guangdong Mingyang Wind Power Industry Group Co., Ltd. jointly signed the 'Memorandum of Association' and the 'Supplementary Agreement to the Memorandum of Association'. A joint stock limited company was established by way of promotion based on the net assets as at 31 January 2017. Each promoter contributed their respective net assets as at 31 January 2017 into share capital, with the balance after conversion of net assets into share capital transferred to capital reserve. The share capital is set at 1,103,822,378 shares with a par value of RMB 1 per share. The capital contribution was verified by the Capital Verification Report No. Zhitong Yan Zi (2017) No. 110ZC0128 issued by Grant Thornton Huazhen Certified Public Accountants LLP on June 9, 2017.

The Company was approved by the China Securities Regulatory Commission on 25 December 2018 via Document No. [2018] 2169 entitled 'Reply on Approving the Initial Public Offering of Shares of Mingyang Smart Energy Group Co., Ltd.' to publicly issue 275,900,000 shares of RMB ordinary shares (A-shares) at an issue price of RMB 4.75 per share. The shares were listed for trading on 23 January 2019. Following the issuance, the Company's total share capital increased to RMB 1,379,722,378.00. The capital contribution was verified by the capital verification report 'Zhitong Yan Zi (2019) No. 110ZC0017' issued by Zhitong Certified Public Accountants (Special General Partnership) on 18 January 2019.

On 20 May 2020, the Company convened its fifth meeting of the second Board of Directors and approved the proposals entitled 'Proposal on Adjusting Relevant Matters of the 2019 Restricted Stock Incentive Plan' and 'Proposal on Granting Restricted Shares to Initial Granted Incentive Objects'. It was agreed that, with 20 May 2020 designated as the grant date, a total of 23.39 million restricted shares would be granted to 220 eligible individuals, including directors, senior management personnel, middle-level management personnel, core technical (business) backbone staff, and other employees of the Company. The grant price was set at RMB 5.222 per share, and the source of the shares was the issuance of A-share ordinary shares to the incentive objects. As at 11 June 2020, the Company had granted 23,340,400 restricted ordinary shares to 220 award recipients at an issue price of RMB 5.222 per share. The Company's total share capital has increased to RMB 1,403,062,778.00. Lixin Certified Public Accountants (Special General Partnership) issued the capital verification report 'Xin Shi Bao Zi [2020] No. ZC10421' on 12 June 2020 to verify the initial grant of restricted shares to the Company.

On 20 July 2020, the Company was approved by the China Securities Regulatory Commission via Document No. [2020]1516, titled 'Reply on Approving the Private Placement of Shares of Mingyang Smart Energy Group Co., Ltd.', to privately place 413,916,713 ordinary shares (A-shares) of RMB, at an issue price of RMB 14.02 per share. Following the issuance, the Company's total share capital increased to RMB 1,816,979,491.00. The capital contribution was verified by the capital verification report 'Zhitong Yan Zi (2020) No. 110ZC00394' issued by Zhitong Certified Public Accountants (Special General Partnership) on 27 October 2020.

Pursuant to the approval granted by the China Securities Regulatory Commission under Document No. [2019] 2553, the Company publicly issued 17 million convertible corporate bonds on 16 December 2019. Each bond has a face value of RMB 100, with an aggregate issuance amount of RMB 17,000 million and a term of six years. In accordance with relevant regulations

**Mingyang Smart Energy Group Co., Ltd.**  
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**I. Basic Information (continued)**

and the provisions of the Company's 'Prospectus for Public Offering of Convertible Corporate Bonds', the convertible corporate bonds issued by the Company have been convertible into ordinary shares of A-shares of the Company since 22 June 2020. As at 31 December 2021, all such bonds had been converted into ordinary shares of A-shares. The total number of shares

converted amounted to 133,949,221 shares. Following this conversion, the Company's total share capital increased to RMB 1,950,928,712.00.

On 9 June 2021, the Company convened its 21st meeting of the Second Board of Directors and approved the proposal entitled 'Regarding the Repurchase and Cancellation of Restricted Shares Granted to but Not Yet Vested for Certain Incentive Recipients'. It was agreed to repurchase and cancel 100,000 restricted shares held by three incentive recipients who had left the Company. As of 10 August 2021, following the cancellation, the Company's total share capital was adjusted to RMB 1,950,828,712.00.

On 12 May 2021, the Company convened its 20th meeting of the Second Board of Directors and approved the proposal entitled 'Regarding the Granting of Reserved Restricted Shares to Participants under the 2019 Restricted Stock Incentive Plan'. It was agreed that, with 12 May 2021 designated as the grant date, restricted shares amounting to 5.498 million would be granted to 103 eligible participants. The source of such shares shall be the issuance of A-share ordinary shares to the participants on a targeted basis. As at 17 September 2021, the Company had granted restricted ordinary shares to 103 participants, amounting to 5,498,000 shares, at an issue price of RMB 8.28 per share. The Company's total share capital has increased to RMB 1,956,326,712.00.

On 18 May 2021, the Company convened its second extraordinary general meeting and approved the resolution 'Regarding the Company's Compliance with Conditions for Non-public Issuance of Shares'. Subsequently, the non-public issuance of 147,928,994 RMB ordinary shares (A-shares) at an issue price of RMB 13.52 per share was approved by the China Securities Regulatory Commission via Document No. [2022] 70 titled 'Reply on Approving the Non-public Issuance of Shares of Mingyang Smart Energy Group Co., Ltd.' Following the issuance, the Company's total share capital increased to RMB 2,104,255,706.00. The capital contribution was verified by the capital verification report 'Zhitong Yan Zi (2022) No. 110C000059' issued by Zhitong Certified Public Accountants (Special General Partnership) on 27 January 2022.

On 21 February 2022, the Company convened its 28th meeting of the Second Board of Directors and approved the proposal entitled 'Regarding the Repurchase and Cancellation of Restricted Shares Granted but Not Yet Vested to Certain Participants under the 2019 Restricted Share Incentive Plan'. It was agreed to repurchase and cancel 472,500 restricted shares held by eight participants who had left the Company. As of 23 May 2022, following the cancellation, the Company's total share capital was adjusted to RMB 2,103,783,206.00.

Pursuant to the approval letter No. [2022] 1427 issued by the China Securities Regulatory Commission entitled 'Reply on Approving Ming Yang Smart Energy Group Co., Ltd. to Issue Global Depositary Receipts (GDR) for the First Time and List on the London Stock Exchange' and the approval granted by the Financial Conduct Authority of the United Kingdom on 8 July 2022 (London time), the Company is permitted to issue 31,280,500 Global Depositary Receipts (Global Depositary Receipts, hereinafter referred to as 'GDR') for listing on the London Stock Exchange on 13 July 2022 (London time). The full name of the securities is 'Ming Yang Smart Energy Group Limited', the GDR listing code is 'MYSE', the underlying securities correspond to 156,402,500 shares of the Company's A-shares, and the total amount raised is USD 656,890,500. On 29 July

**Mingyang Smart Energy Group Co., Ltd.**  
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**I. Basic Information (continued)**

2022, pursuant to the over-allotment option arrangement for this issuance, the Company over-allotted 2,380,000 GDRs, corresponding to a base security A-share quantity of 11,900,000 shares. Upon the exercise of the over-allotment option in relation to this issuance, the Company raised a

total of USD 706,870,500 through the issue of GDRs, and the Company's total share capital was adjusted to RMB 2,272,085,706.00.

On 17 March 2023, the Company convened its first meeting of the Third Board of Directors and approved the proposal entitled 'Regarding the Repurchase and Cancellation of Restricted Shares Granted but Not Yet Vested to Certain Participants under the 2019 Restricted Share Incentive

Plan'. It was agreed to repurchase and cancel 102,000 restricted shares held by six participants who had resigned. As of 22 May 2023, following the cancellation, the Company's total share capital was adjusted to RMB 2,271,983,706.00.

On 26 September 2023, the Company convened its 37th meeting of the Second Board of Directors and approved the proposal entitled 'Regarding the Repurchase and Cancellation of Restricted Shares Granted but Not Yet Vested to Certain Participants under the 2019 Restricted Share Incentive Plan'. It was agreed to repurchase and cancel 224,500 restricted shares held by four participants who had either resigned or were ineligible as incentive recipients due to their election as company supervisors. As at 23 November 2023, following the cancellation, the Company's total share capital was adjusted to RMB 2,271,759,206.00.

On 28 February 2024, the Company convened the sixth meeting of its third Board of Directors and the fourth meeting of its third Supervisory Board. The meetings approved the proposal entitled 'Proposal on Repurchasing and Cancelling Restricted Shares Granted to but Not Yet Vested for Certain Incentive Objects'. It was agreed to repurchase and cancel 165,000 restricted shares granted to but not yet vested for seven incentive objects who had either resigned or failed the performance assessment. As of 3 June 2024, following the cancellation, the Company's total share capital was adjusted to RMB 2,271,594,206.00.

On 21 October 2024, the Company convened its ninth meeting of the third Supervisory Board and approved the proposal regarding the repurchase and cancellation of restricted shares that had been granted but not yet vested to certain participants under the 2019 Restricted Share Incentive Plan. As four recipients of the initial grant and one recipient of the reserved grant under the 2019 Restricted Stock Incentive Scheme resigned for personal reasons and thus ceased to qualify as recipients, and one recipient of the reserved grant failed to meet the individual-level performance assessment criteria, the Company resolved to agree to repurchase and cancel the 97,500 unvested restricted shares held by the aforementioned six individuals. As at 14 January 2025, following the cancellation, the total share capital of the Company amounted to RMB 2,271,496,706.00.

On 25 September 2025, the Company convened its 24th meeting of the Third Board of Directors. Subsequently, on 20 October 2025, the Company held its third extraordinary general meeting for 2025 to deliberate and approve the following resolutions: 'Proposal on Changing the Purpose of Repurchased Shares and Cancelling a Portion of Such Shares', 'Proposal on Amending the Registered Capital of the Company', and 'Proposal on Revising the Articles of Association'. The Company agreed to amend the purpose of the first-phase share repurchase plan approved by the 39th meeting of the Second Board of Directors, whereby 10,000,000 shares shall be cancelled and the remaining 79,813,484 shares shall be allocated to an employee shareholding scheme or equity incentive plan. As at 13 December 2025, upon completion of the cancellation, the total number of shares of the Company was revised to 2,261,496,706.

**Mingyang Smart Energy Group Co., Ltd.**  
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**I. Basic Information (continued)**

The nature of the business and principal activities (scope of operations) of the Company and its subsidiaries (collectively referred to as "the Group") include: the production and operation of wind power host equipment and related power electronic products; the operation and management of wind farms, technical consulting, and operation and maintenance services; the investment, construction, and operation of new energy, distributed energy, and energy storage projects; wind power generation, etc.

The Group's parent company is Mingyang New Energy Investment Holding Group Co., Ltd., incorporated in China. The ultimate controlling parties are Zhang Chuangwei, Wu Ling and Zhang Rui.

These financial statements have been approved by the Board of Directors of the Company on 27 April 2026. The resolution approves the issuance.

**Mingyang Smart Energy Group Co., Ltd.**  
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**II. Basis of Preparation of the Financial Statements**

**1. Basis of Preparation**

These financial statements have been prepared in accordance with the 'Basic Standards for Enterprise Accounting' promulgated by the Ministry of Finance and the specific accounting standards, interpretations and other relevant regulations subsequently promulgated and revised (collectively referred to as 'Enterprise Accounting Standards'). In addition, the financial information is disclosed in accordance with the 'Provisions on the Reporting of Information Disclosure for Companies Offering Securities to the Public No. 15 — General Provisions on Financial Reports'.

**2. Going Concern**

These financial statements have been prepared on a going concern basis.

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**III. Significant Accounting Policies and Accounting Estimates**

The Group has established specific accounting policies and accounting estimates based on its actual production and operational characteristics. These are primarily reflected in the allowance for doubtful accounts of receivables, provision for inventory obsolescence, depreciation of fixed assets, amortisation of intangible assets, capitalisation criteria for expenditure during the development phase, and revenue recognition and measurement.

**1. Statement on Compliance with Accounting Standards for Business Enterprises**

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises and present fairly, in all material respects, the financial position of the Company and its Group as at 31 December 2025 the financial position of the Company and 2025 the operating results and cash flows for the year.

**2. Accounting Period**

The Group's financial year follows the calendar year, commencing on 1 January and concluding on 31 December each year.

**3. Operating Cycle**

The Company's operating cycle is 12 months.

**4. Functional currency**

The Company's functional currency and the currency used for the preparation of these financial statements are both RMB Unless otherwise stated, all figures are based on RMB expressed in units.

The subsidiaries, joint ventures and associates of the Group determine their functional currencies based on the primary economic environment in which they operate. When preparing financial statements, these are translated into RMB.

**Mingyang Smart Energy Group Co., Ltd.**  
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**III. Significant Accounting Policies and Accounting Estimates (continued)**

**5. Methods for determining materiality criteria and basis for selection**

	Materiality Criteria
Receivables with individually significant impairment allowances for bad debts	The balance of the provision for bad debts accrued exceeds 10% of the total provision for bad debts relating to the relevant receivables, or a 100% provision for bad debts has been made with an amount exceeding RMB 10 million.
Write-off of significant receivables for the current period	The amount written off individually accounts for more than 10% of the total balance of all categories of receivables.
A significant change has occurred in the carrying amount of contract assets.	The amount of change in the carrying value of contract assets exceeds 30% of the opening balance of contract assets.
Significant Construction in Progress	The budget amount for an individual item exceeds RMB 300 million.
Significant non-wholly-owned subsidiaries	The non-controlling interests of a single non-wholly-owned subsidiary account for more than 20% of the total non-controlling interests.
Significant capitalised research and development projects	The closing balance of an individual item exceeds 10% of the closing balance of development expenditure.
Significant investment activities	A single investment activity constitutes more than 10% of the total cash inflows or outflows related to investing activities and exceeds RMB 1 billion.

**6. Business Combinations**

Business combinations are classified into business combinations under common control and business combinations not under common control.

A business combination is classified as a merger under common control if the enterprises involved in the combination are ultimately controlled by the same party or the same group of parties both before and after the combination, and such control is not transitory. In a business combination under common control, the assets and liabilities acquired by the combining entity (including goodwill arising from the acquisition of the acquiree by the ultimate controlling party) shall be accounted for based on their carrying amounts in the financial statements of the ultimate controlling party as at the date of the combination. The difference between the carrying amount of net assets acquired by the combining entity and the carrying amount of the consideration paid (or the aggregate nominal value of shares issued) shall be adjusted against share premium within capital reserves; if insufficient to offset, retained earnings shall be adjusted.

A business combination is classified as a business combination not under common control if the enterprises involved in the combination are not subject to the ultimate control of the same party or parties acting in concert before and after the combination. In a business combination not under common control, the identifiable assets acquired and liabilities assumed, including contingent liabilities, of the acquiree are measured at fair value on the acquisition date. Where the

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **6. Business Combination (continued)**

consideration for the business combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill and subsequently measured at cost less accumulated impairment losses. Where the cost of a business combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities acquired and the cost of the business combination shall be reviewed. If, after such review, the cost of the business combination remains less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference shall be recognised in profit or loss for the current period.

#### **7. Consolidated Financial Statements**

The scope of consolidation of the consolidated financial statements is determined on the basis of control and includes the financial statements of the Company and all its subsidiaries. A subsidiary is an entity controlled by the Company (including enterprises, divisible parts of investees, and structured entities controlled by the Company, etc.). An investor controls an investee only when all three of the following elements are present: the investor has power over the investee; the investor is exposed, or has rights, to variable returns from its involvement with the investee; and the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

Where the accounting policies or accounting periods adopted by a subsidiary differ from those of the Company, necessary adjustments shall be made to the subsidiary's financial statements in accordance with the Company's accounting policies and accounting period when preparing the consolidated financial statements. All assets, liabilities, equity, income, expenses and cash flows arising from transactions between companies within the Group are eliminated in full on consolidation.

Where the current period losses borne by non-controlling interests of a subsidiary exceed their share of the opening equity in that subsidiary, the balance shall continue to be deducted from the non-controlling interests.

For subsidiaries acquired through business combinations not under common control, the operating results and cash flows of the acquiree are included in the consolidated financial statements from the date the Group obtains control until such control ceases. When preparing the consolidated financial statements, the financial statements of subsidiaries are adjusted on the basis of the fair values of identifiable assets, liabilities and contingent liabilities determined as at the acquisition date.

For subsidiaries acquired through business combinations under common control, the operating results and cash flows of the acquiree are included in the consolidated financial statements from the beginning of the reporting period in which the combination occurred. When preparing comparative consolidated financial statements, adjustments are made to relevant items in the prior period financial statements, treating the reporting entity formed by the consolidation as having existed since the date when the ultimate controlling party commenced control.

Where changes in relevant facts and circumstances result in a change to one or more of the control elements, the Group reassesses whether it controls the investee.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **8. Classification of Joint Arrangements and Accounting Treatment for Joint Operations**

In circumstances where control is not lost, changes in the non-controlling interest are treated as equity transactions.

A joint arrangement is an arrangement in which two or more parties have joint control.

A joint venture is a joint arrangement whereby the Company has rights only to the net assets of the arrangement.

The Company accounts for its investment in joint ventures in accordance with the requirements of the equity method as prescribed for long-term equity investments.

#### **9. Cash and cash equivalents**

Cash refers to the Group's cash on hand and deposits that are available for payment at any time; cash equivalents refer to investments held by the Group that have short maturities, high liquidity, are readily convertible into known amounts of cash, and carry insignificant risk of changes in value.

#### **10. Foreign Currency Transactions and Translation of Foreign Currency Financial Statements**

For foreign currency transactions incurred by the Group, the foreign currency amounts are translated into the functional currency.

Foreign currency transactions are translated into the functional currency at the spot exchange rate prevailing on the date of the transaction. However, capital contributed by investors in foreign currencies is also translated at the spot exchange rate prevailing on the date of the transaction. At the balance sheet date, foreign currency monetary items are translated using the spot exchange rate at that date. The exchange differences arising from the settlement of monetary items and the translation of foreign currency balances are recognised in profit or loss for the current period, except for those arising from specific foreign currency borrowings related to the acquisition or construction of qualifying assets which are accounted for in accordance with the principles of capitalisation of borrowing costs. Foreign non-monetary items measured at historical cost shall continue to be translated using the exchange rate applicable at the date of initial recognition, and their amounts in the functional currency shall remain unchanged. Foreign non-monetary items measured at fair value are translated using the spot exchange rate on the date when fair value is determined. The resulting difference is recognised in profit or loss or other comprehensive income, depending on the nature of the non-monetary item.

For foreign operations, the Group translates their functional currency into RMB. Assets and liabilities in the balance sheet are translated at the spot exchange rate on the balance sheet date. Shareholders' equity items, other than 'retained earnings', are translated at the spot exchange rates prevailing at the dates of their occurrence. Income and expense items in the statement of profit or loss are translated at the average exchange rate for the period in which the transactions occurred, unless such translation would be inappropriate due to significant fluctuations in exchange rates, in which case the spot exchange rate on the transaction date is applied. The foreign currency translation differences arising from the aforementioned translation methods are recognised as other comprehensive income. Upon disposal of a foreign operation, the related other comprehensive income is reclassified to profit or loss for the period of disposal; in the event of a partial disposal, it is calculated based on the proportion disposed.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **10. Foreign Currency Transactions and Translation of Foreign Currency Financial Statements (continued)**

Cash flows from foreign currencies and cash flows of overseas subsidiaries shall be translated using the average exchange rate prevailing during the period in which the cash flows occurred (unless such translation is inappropriate due to significant fluctuations in exchange rates, in which case the spot exchange rate on the date of the cash flow shall be used). The effect of changes in

exchange rates on cash is presented separately as a reconciling item in the statement of cash flows.

#### **11. Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

##### **(1) Recognition and derecognition of financial instruments**

The Group recognises a financial asset or a financial liability when it becomes a party to the contract for that financial instrument.

Financial assets (or a portion thereof, or a portion of a group of similar financial assets) shall be derecognised when the following conditions are met, thereby removing the previously recognised financial assets from the statement of financial position:

- (1) The right to collect cash flows from financial assets has expired;
- (2) The right to receive cash flows from the financial asset has been transferred, or an obligation has been assumed under a 'pass-through arrangement' to pay the full amount of collected cash flows to a third party on a timely basis; and substantially all risks and rewards incidental to ownership of the financial asset have been transferred, or, although substantially neither all risks nor all rewards incidental to ownership of the financial asset have been transferred nor retained, control over the financial asset has been relinquished.

A financial liability is derecognised when its obligation has been discharged, cancelled or expired. Where an existing financial liability is replaced by another financial liability from the same lender with substantially different terms, or where the terms of an existing liability are substantially modified in their entirety, such replacement or modification shall be accounted for as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the original liability and the fair value of the new liability shall be recognised in profit or loss for the period.

Financial assets are recognised and derecognised on a trade date basis when bought or sold in the ordinary course of business. Buying and selling financial assets in the ordinary way refers to purchasing or selling financial assets in accordance with contractual provisions, whereby the terms of such contracts stipulate that delivery of the financial assets shall be made within a timeframe determined by prevailing regulations or market conventions. A transaction date is the date on which the Group commits to purchasing or selling a financial asset.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **11. Financial Instruments (continued)**

##### **(2) Classification and measurement of financial assets**

The Group's financial assets are classified at initial recognition into: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss, based on the Group's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are measured at fair value on initial recognition; however, trade receivables or notes receivable arising from the sale of goods or provision of services that do not contain a significant financing component, or for which the Company does not consider a financing component of one year or less, shall be initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, relevant transaction costs are recognised directly in profit or loss for the period, whereas for other categories of financial assets, relevant transaction costs are included in their initial recognition amount.

The subsequent measurement of financial assets depends on their classification:

##### **Debt instrument investments measured at amortised cost**

A financial asset shall be classified as a financial asset measured at amortised cost if it meets both of the following conditions: the business model for managing the financial asset is to hold the financial asset in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income on such financial assets is recognised using the effective interest method. Any gains or losses arising from derecognition, modification or impairment are included in profit or loss for the current period.

##### **Debt instruments measured at fair value with changes recognised in other comprehensive income**

A financial asset shall be classified as a financial asset at fair value through other comprehensive income if it meets both of the following conditions: (1) the Group's business model for managing the financial asset is to hold the financial asset in order to collect contractual cash flows and also to sell the financial asset; (2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income on such financial assets is recognised using the effective interest rate method. Except for interest income, impairment losses and exchange differences recognised in profit or loss, all other changes in fair value are recognised in other comprehensive income. Upon derecognition of a financial asset, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to profit or loss for the current period.

##### **Equity instrument investments measured at fair value with changes recognised in other comprehensive income**

The Group has irrevocably elected to designate certain non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income. Dividend income arising from such investments is recognised in profit or loss for the period, except for dividends that clearly represent a recovery of part of the cost of investment. Subsequent changes in fair value are recognised in other comprehensive income and no impairment provision is required. Upon derecognition of a financial asset, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from other comprehensive income to retained earnings.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **11. Financial Instruments (continued)**

##### **(2) Classification and measurement of financial assets (continued)**

Financial assets measured at fair value through profit or loss

Financial assets other than those measured at amortised cost and those measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss. For such financial assets, subsequent measurement is performed at fair value, with all changes in fair value recognised in profit or loss for the current period.

Financial assets may be designated at initial recognition as financial assets measured at fair value through profit or loss only where such designation eliminates or significantly reduces an accounting mismatch.

Once a financial asset has been designated at initial recognition as a financial asset measured at fair value through profit or loss, it shall not be reclassified into any other category of financial assets; conversely, financial assets in other categories shall not be redesignated after initial recognition as financial assets measured at fair value through profit or loss.

##### **(3) Classification and measurement of financial liabilities**

Except for financial liabilities arising from the transfer of financial assets that do not meet the conditions for derecognition, the Group's financial liabilities are classified at initial recognition as either financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost. For financial liabilities measured at fair value through profit or loss, relevant transaction costs are recognised directly in profit or loss for the period. For financial liabilities measured at amortised cost, relevant transaction costs are included in their initial recognition amount.

Financial liabilities measured at amortised cost

For such financial liabilities, the effective interest method is applied and they are subsequently measured at amortised cost.

##### **(4) Impairment of financial instruments**

###### Determination Method and Accounting Treatment of Expected Credit Losses

The Group recognises impairment allowances and accounts for impairment on financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, and contract assets based on expected credit losses.

For receivables and contract assets that do not contain a significant financing component, the Group applies the simplified measurement approach and measures the allowance for expected credit losses at an amount equivalent to the lifetime expected credit losses.

For financial assets other than those measured using the simplified approach described above, the Group assesses at each reporting date whether credit risk has increased significantly since initial recognition. If credit risk has not increased significantly since initial recognition, the asset is classified in Stage 1; the Group measures the loss allowance at an amount equal to expected credit losses over the next 12 months and calculates interest income based on the gross carrying amount and the effective interest rate. If credit risk has increased significantly since initial

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**III. Significant Accounting Policies and Accounting Estimates (continued)**

**11. Financial Instruments (continued)**

**(4) Impairment of financial instruments (continued)**

recognition but no credit impairment has occurred, the asset is classified in Stage 2; the Group measures the loss allowance at an amount equal to expected credit losses over the entire lifetime and calculates interest income based on the gross carrying amount and the effective interest rate. If credit impairment has occurred subsequent to initial recognition, the asset is classified in Stage 3; the Group measures the loss allowance at an amount equal to expected credit losses over the entire lifetime and calculates interest income based on the amortised cost and the effective interest rate.

For disclosures regarding the Group's criteria for determining a significant increase in credit risk and the definition of credit-impaired assets that have incurred impairment losses, please refer to Note X.1.

The methodology adopted by the Group for measuring the expected credit losses of financial instruments incorporates factors including: an unbiased probability-weighted amount determined through the assessment of a range of possible outcomes; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Categories of portfolios and the basis for their determination for the provision of impairment allowances based on combinations of credit risk characteristics

The Group has considered the credit risk characteristics of different customers and assessed the expected credit losses of financial instruments on a portfolio basis based on common risk characteristics. The basis for the specific combination is as follows:

A. Bills Receivable

Receivable Notes Portfolio 1: Bank Acceptance Bills

Receivable Bill Portfolio 2: Commercial Acceptance Bills

B. Accounts Receivable

Receivables Portfolio 1: Related Parties within the Consolidated Group

Accounts Receivable Portfolio 2: High-end Manufacturing Business

Receivables Portfolio 3: Power Generation Business

Receivables Portfolio 4: Engineering and Construction Business

C. Contract Assets

Contract asset portfolio 1: Related parties within the consolidated scope

Contract Asset Portfolio 2: High-end Manufacturing Business

Contract Asset Portfolio 3: Power Generation Business

Contract Asset Portfolio 4: Engineering Construction Business

D. Other receivables

Other Receivables Portfolio 1: Amounts receivable from related parties within the consolidated scope

Other Receivables Portfolio 2: Amounts Due from Related Parties

Other Receivables Portfolio 3: Deposits, Guarantees and Petty Cash

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Other Receivables Portfolio 4: Equity Transfer Proceeds

Other Receivables Portfolio 5: Other receivables

Aging calculation method based on the identification of credit risk characteristic portfolios by ageing

The Group determines the ageing of accounts based on the invoice date.

The criteria for determining individual impairment of bad debts provided for on an item-by-item basis

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **11. Financial Instruments (continued)**

##### **(4) Impairment of financial instruments (continued)**

Where the credit risk characteristics of a counterparty differ significantly from those of other counterparties in the portfolio, an allowance for impairment shall be recognised on a specific basis for amounts receivable from that counterparty.

##### Write-off of impairment provisions

When the Group no longer reasonably expects to recover in full or in part the contractual cash flows of a financial asset, the Group directly reduces the carrying amount of that financial asset.

##### **(5) Transfer of financial assets**

The Group derecognises a financial asset when substantially all of the risks and rewards incidental to ownership of that financial asset have been transferred to the transferee; conversely, if substantially all of the risks and rewards incidental to ownership are retained by the Group, the financial asset is not derecognised.

Where the Group has neither transferred nor retained substantially all of the risks and rewards incidental to ownership of a financial asset, it shall be accounted for as follows: if control over such financial asset has been relinquished, the financial asset shall be derecognised and any resulting assets and liabilities shall be recognised; if control over such financial asset has not been relinquished, the relevant financial asset shall be recognised to the extent of the Group's continuing involvement in the transferred financial asset, with a corresponding liability recognised.

Where an entity continues to be involved in a transferred financial asset by providing a financial guarantee, the asset arising from such continuing involvement shall be recognised at the lower of the carrying amount of the financial asset and the amount of the financial guarantee. The amount of financial guarantee refers to the maximum amount that may be required to be repaid from the consideration received.

#### **12. Inventories**

Inventories comprise raw materials, work in progress, semi-finished goods, finished goods held for sale, goods dispatched, turnover materials, materials entrusted for processing, and costs of power station product development.

Inventories are initially measured at cost. Inventory costs comprise acquisition costs, processing costs, and other costs.

Power station projects constructed and held by the Group were classified as either inventory or property, plant and equipment at initial approval. Power station projects intended solely for sale to customers are accounted for and presented as inventory. Power station projects that the Company plans to hold and operate or for which there is no explicit intention to sell to customers are classified as non-current assets and accounted for and presented as construction in progress / fixed assets. The development costs of power station products comprise land transfer fees, expenditures on basic supporting facilities, expenditures on construction and installation works, borrowing interest expenses incurred prior to the completion of the development project that satisfy capitalisation criteria, and other relevant costs incurred during the development process.

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**III. Significant Accounting Policies and Accounting Estimates (continued)**

**12. Inventories (continued)**

The Group's power station products are held for trading purposes; accordingly, the development costs of these power station products have been classified as current assets.

The development costs of power station products are accounted for using the specific identification method. For issued inventory other than costs incurred in the development of power station products, the actual cost is determined using the weighted average method. Turnover materials

include low-value consumables and packaging materials, which are amortised using the one-time write-off method.

The inventory counting system adopted is the perpetual inventory system.

At the balance sheet date, inventory is measured at the lower of cost and net realisable value. Where the cost exceeds the net realisable value, a provision for inventory write-down is recognised and charged to profit or loss for the period. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale, together with any applicable taxes. The Company typically provides for inventory write-downs on an item-by-item basis. For inventory comprising a large quantity of items with low unit prices, provision for inventory impairment is accrued by inventory category.

Contract fulfillment costs classified as current assets are presented in inventory.

**13. Non-current assets held for sale and discontinued operations**

**(1) Non-current assets or disposal groups held for sale**

An item of non-current asset or a disposal group is classified as held for sale if its carrying amount is recovered principally through sale rather than through continuing use. An asset or disposal group is classified as held for sale only if all of the following conditions are met: it is available for immediate sale in its present condition in accordance with the usual practices for selling such assets or disposal groups in similar transactions; and the sale is highly probable, meaning that the Company has made a resolution to sell the asset or disposal group and has obtained a binding purchase commitment, with the sale expected to be completed within one year (where approval from the relevant authority of the Company or a regulatory body is required by applicable regulations, such approval must have been obtained). Where control over a subsidiary is lost due to the disposal of an investment in that subsidiary or other reasons, and the criteria for classification as held for sale are met, the entire investment in the subsidiary shall be classified as held for sale in the separate financial statements, regardless of whether any equity interest is retained following the disposal. In the consolidated financial statements, all assets and liabilities of the subsidiary shall be classified as held for sale.

For non-current assets or disposal groups held for sale (excluding financial assets and deferred tax assets), where the carrying amount exceeds the fair value less costs to sell, the carrying amount shall be written down to the fair value less costs to sell. The amount of the write-down shall be recognised as an impairment loss on assets and included in profit or loss for the current period, and a provision for impairment of assets held for sale shall simultaneously be made. Non-current assets or non-current assets within a disposal group held for sale are not depreciated or amortised and are not accounted for using the equity method.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **13. Non-current assets held for sale and discontinued operations (continued)**

##### **(2) Discontinued operations**

Discontinued operations refer to a component that can be separately distinguished and meets at least one of the following conditions: the component represents an independent major business or a separate major operating region; the component is part of a single plan associated with the disposal of an independent major business or a separate major operating region; or the component is a subsidiary acquired specifically for resale.

Profit or loss from discontinued operations is presented separately from profit or loss from continuing operations in the statement of profit or loss. Profit or loss items such as impairment losses and reversals of discontinued operations, as well as gains or losses on disposal, are presented as discontinued operations. For discontinued operations presented in the current period, the Group has reclassified information previously reported as continuing operating profit or loss to be presented as discontinued operations for the comparable accounting periods.

#### **14. Long-term equity investments**

Long-term equity investments include equity interests in subsidiaries, joint ventures and associates.

Long-term equity investments are initially measured at their initial investment cost upon acquisition. Long-term equity investments acquired through business combinations under common control shall be initially measured at the investor's share of the carrying amount of the acquiree's net assets in the consolidated financial statements of the ultimate controlling party on the date of combination. Any difference between the initial investment cost and the carrying amount of the consideration paid shall be adjusted against capital reserve; if insufficient, retained earnings shall be reduced. Long-term equity investments acquired through business combinations not under common control are initially recognised at the cost of combination. Where a business combination not under common control is achieved in stages through multiple transactions, the initial investment cost shall be the sum of the carrying amount of the equity interest in the acquiree held prior to the acquisition date and the cost of the additional investment made on the acquisition date. Long-term equity investments acquired by means other than enterprise combinations shall have their initial investment costs determined in accordance with the following methods: for those acquired through cash payment, the actual purchase price paid together with directly related expenses, taxes and other necessary expenditures incurred to acquire the long-term equity investment shall be recognised as the initial investment cost; for those acquired through the issuance of equity securities, the fair value of the issued equity securities shall be recognised as the initial investment cost.

Long-term equity investments over which the Company has control over the investee are accounted for using the cost method in the Company's separate financial statements. Control is the power to direct the relevant activities of an investee that has the ability to affect the amount of returns received by virtue of exposure or rights to variable returns from involvement with the investee.

Where the cost method is adopted, long-term equity investments are measured at their initial investment cost. Where investments are added or withdrawn, the cost of long-term equity investments shall be adjusted. Cash dividends or profits declared by the investee are recognised as investment income for the current period.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **14. Long-term equity investments (continued)**

For long-term equity investments in investees over which the Group has joint control or significant influence, the equity method of accounting is applied. Joint control refers to the shared control over an arrangement pursuant to contractual agreements, whereby decisions regarding the relevant activities of that arrangement require the unanimous consent of all parties sharing control. Significant influence refers to the power to participate in the financial and operating policy decisions of an investee, but not to control or jointly control with others the making of those policies.

Where the equity method is applied, if the initial cost of the long-term equity investment exceeds the investor's share of the fair value of the investee's identifiable net assets at the time of investment, such excess shall be included in the initial cost of the long-term equity investment. Conversely, where the initial cost is less than the investor's share of the fair value of the investee's identifiable net assets at the time of investment, the difference shall be recognised in profit or loss for the current period, and the carrying amount of the long-term equity investment shall be adjusted accordingly.

Where the equity method is applied, following the acquisition of a long-term equity investment, the investor shall recognise its share of the investee's net profit or loss and other comprehensive income in accordance with its entitlement or obligation to bear such amounts, thereby recognising investment gains or losses and other comprehensive income respectively and adjusting the carrying amount of the long-term equity investment. When recognising the share of net profit or loss of an investee, adjustments are made to the net profit of the investee based on the fair value of its identifiable assets at the date of acquisition, in accordance with the Group's accounting policies and accounting periods. The portion of internal transaction gains or losses between the investor and associates or joint ventures attributable to the investor is eliminated on a pro-rata basis (except where such internal transaction losses constitute impairment losses on assets, which shall be recognised in full). This does not apply where the assets contributed or sold constitute a business. The portion to be recognised shall be calculated based on the profits or cash dividends declared by the investee and the carrying amount of the long-term equity investment shall be correspondingly reduced. The Group recognises the net losses incurred by investees to the extent that the carrying amount of long-term equity investments and other long-term interests which in substance constitute a net investment in the investee are reduced to zero, except where the Group has an obligation to bear additional losses. For other changes in shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the carrying amount of the long-term equity investment shall be adjusted and recognised in shareholders' equity.

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**III. Significant Accounting Policies and Accounting Estimates (continued)**

**15. Investment Property**

Investment property refers to land or buildings held to earn rentals or for capital appreciation, or both.

Investment property is initially measured at cost. Subsequent expenditure related to investment property shall be included in the cost of the investment property if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably. Otherwise, it shall be recognised in profit or loss for the period in which it arises.

The Group applies the cost model to subsequently measure all investment properties and depreciates or amortises buildings and structures based on their estimated useful lives and net residual value rates. The useful life, estimated net residual value and annual depreciation rate are as follows:

	Useful life (years)	Estimated net residual value rate (%)	Annual depreciation rate %
Houses and Buildings	20	5	4.75

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**III. Significant Accounting Policies and Accounting Estimates (continued)**

**16. Fixed Assets**

Fixed assets are recognised only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures related to fixed assets shall be included in the cost of fixed assets and the carrying amount of the replaced part shall be derecognised if they meet the recognition criteria; otherwise, they shall be recognised as an expense in the current period or included in the cost of relevant assets based on the benefiting entity at the time of incurrence.

Fixed assets are initially measured at cost. The cost of acquiring a fixed asset comprises the purchase price, related taxes and surcharges, and other expenditures directly attributable to the asset incurred prior to its being available for intended use.

Depreciation of fixed assets is calculated using the straight-line method. The useful lives, estimated net residual value rates, and annual depreciation rates for various categories of fixed assets are as follows:

	Useful life (years)	Estimated net residual value rate (%)	Annual depreciation rate %
Houses and Buildings	5-20	4-5	19.20-4.75
Machinery and equipment	3-20	4-5	32.00-4.75
Transport equipment	4-5	5	23.75-19.00
Electronic equipment and others	3-5	5	31.67-19.00

Where different components of an item of property, plant and equipment have different useful lives or provide economic benefits to the Company in different ways, different depreciation rates shall be applied.

The Group reviews the useful lives, estimated residual values and depreciation methods of its fixed assets at least annually at the end of each financial year, making adjustments where necessary.

**17. Construction in Progress**

The cost of construction in progress is determined based on actual project expenditures, comprising all necessary engineering expenditures incurred during the construction period, borrowing costs that should be capitalised prior to the assets reaching their intended usable state, and other related expenses.

The criteria for transferring construction in progress to fixed assets upon reaching the intended usable state are as follows:

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **17. Construction in Progress (continued)**

##### Criteria for capitalising fixed assets

House and Buildings	<p>(1) The main construction project and supporting facilities have substantially been completed;</p> <p>(2) The standards for completion and acceptance of the construction have been met;</p> <p>(3) Where construction works have reached the state of being ready for intended use but completion final accounts have not yet been processed, they shall be transferred to fixed assets based on estimated values according to the actual construction costs from the date the state of being ready for intended use is reached.</p>
Machinery and equipment and others	<p>(1) For items not requiring installation or commissioning, acceptance and warehousing shall be carried out;</p> <p>(2) For items requiring installation and commissioning, the standards specified in the design requirements or the contract shall be met.</p>

#### **18. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised; all other borrowing costs are recognised in profit or loss for the period.

Borrowing costs shall be capitalised when the expenditure on qualifying assets has been incurred and activities that are necessary to bring the asset to its intended use or sale have commenced.

Borrowing costs shall cease to be capitalised when the qualifying assets under construction or production reach their intended usable or saleable condition. Borrowing costs incurred subsequently are recognised in profit or loss for the period.

During the capitalisation period, the amount of interest capitalised for each accounting period is determined as follows: for specific borrowings, it is calculated by deducting temporary deposit interest income or investment returns from the actual interest expenses incurred during the period; for general borrowings utilised, it is calculated by multiplying the weighted average of asset expenditures exceeding the specific borrowings by the weighted average interest rate of the general borrowings utilised.

Capitalisation of borrowing costs shall be suspended for assets that qualify for capitalisation if an abnormal interruption occurs during their acquisition or construction process, other than the necessary procedures to bring them to their intended usable or saleable condition, and such interruption continues for a consecutive period exceeding three months. Borrowing costs incurred during the period of interruption are recognised as expenses and included in profit or loss for the period until the activities for acquiring or constructing the asset resume.

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**III. Significant Accounting Policies and Accounting Estimates (continued)**

**19. Intangible Assets**

**(1) Useful life of intangible assets**

Intangible assets are amortised on a straight-line basis over their useful lives, which are as follows:

	Basis for confirmation of useful life	Useful life	Amortisation method
Land Use Rights / Sea Area Use Rights	over the prescribed useful life as stated in the certificate	10-50 years	Straight-line method
Patents and Proprietary Technology	Determined based on the registered useful life or through analysis of the income period	1.33-12 years	Straight-line method
Software	Determined based on the revenue period analysis	2-20 years	Straight-line method
Wind power project licensing	Determined based on the revenue period analysis	20 years	Straight-line method

**(2) Research and development expenditure**

The Group's research and development expenditure comprises costs directly attributable to the Company's research and development activities, including materials consumed in carrying out such activities, employee remuneration for staff within the research and development department, depreciation and amortisation of assets used for research and development such as equipment and software, research testing costs, and research and development technical service fees. Salaries of research and development personnel are allocated to research and development expenditure based on project man-hours. R&D expenditure is allocated for equipment, production lines, and premises shared between R&D activities and other operational activities based on the proportion of working hours and floor area.

The Group distinguishes expenditure on internal research and development projects into expenditure in the research phase and expenditure in the development phase. Expenditure incurred during the research phase is recognised as an expense in the period in which it is incurred. Expenditure incurred during the development phase shall be capitalised only if all of the following conditions are met: that the completion of the intangible asset so that it will be available for use or sale is technically feasible; that there is an intention to complete the intangible asset and use or sell it; that the way in which the intangible asset will generate future economic benefits can be demonstrated, including demonstrating the existence of a market for the product produced by using the intangible asset or for the intangible asset itself, and, where the intangible asset is intended for internal use, its usefulness; that adequate technical, financial and other resources are available to complete the development of the intangible asset and to use or sell it; and that expenditure attributable to the development phase of the intangible asset can be measured reliably. Development expenditures that do not meet the aforementioned conditions are recognised as expenses in the current period when incurred.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **20. Impairment of Assets**

For impairment of assets other than inventories, contract assets and assets related to contract costs, deferred tax assets, financial assets, and assets held for sale, the following approach is adopted: at the end of the reporting period, an assessment is made as to whether there are any indications that an asset may be impaired. Where such indications exist, the Group estimates the

recoverable amount of the asset and conducts an impairment test. For goodwill arising from business combinations, intangible assets with indefinite useful lives, and intangible assets not yet available for use, an impairment test is conducted at least annually at the end of each year, regardless of whether there are any indications of impairment.

The recoverable amount is determined as the higher of the fair value less costs of disposal and the present value of estimated future cash flows. The Group estimates the recoverable amount of an asset on an individual basis. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which that asset belongs is determined. The identification of a cash-generating unit is based on whether the primary cash inflows generated by the unit are independent of the cash inflows from other assets or groups of assets.

Where the recoverable amount of an asset or a group of assets is less than its carrying amount, the Group reduces the carrying amount to the recoverable amount. The amount so reduced is recognised in profit or loss for the current period, and a corresponding provision for impairment of assets is recognised.

In relation to the impairment testing of goodwill, the carrying amount of goodwill is allocated to the relevant cash-generating units or groups of cash-generating units from the acquisition date using a reasonable method. The relevant asset group or combination of asset groups is an asset group or combination of asset groups that benefits from the synergies arising from a business combination and does not exceed the operating segments determined by the Group.

The carrying amount of the cash-generating unit or group of cash-generating units, including goodwill, is compared with its recoverable amount. Where the recoverable amount is lower than the carrying amount, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit or group of cash-generating units. Thereafter, the remaining impairment loss is allocated to reduce the carrying amounts of the other assets in the cash-generating unit or group of cash-generating units on a pro rata basis according to the proportion that each asset's carrying amount bears to the total carrying amount of those assets.

Once recognised, the impairment loss on the above assets shall not be reversed in subsequent accounting periods.

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**III. Significant Accounting Policies and Accounting Estimates (continued)**

**21. Long-term deferred expenses**

Long-term deferred expenses are amortised using the straight-line method, with the amortisation periods as follows:

	Amortisation period
Expenditure on improvements and renovations to leased fixed assets	1.16-17.17 years
Factory renovation and upgrade	2-20 years
Shared expenditure of the Power Step-up Substation	20 years
Others	2-5 years

**22. Employee benefits**

Employee benefits comprise the various forms of remuneration or compensation provided by the Group to employees in exchange for services rendered or for termination of employment relationships, excluding share-based payments. Employee benefits comprise short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

**(1) Short-term employee benefits**

During the accounting periods in which employees provide services, short-term employee benefits incurred are recognised as a liability and charged to profit or loss for the period or included in the cost of relevant assets.

**(2) Post-employment benefits (defined contribution plans)**

The Group's employees participate in the basic endowment insurance and unemployment insurance schemes administered by the local government. The corresponding expenditures are recognised as part of the cost of relevant assets or charged to profit or loss for the period when incurred.

**(3) Termination benefits**

Where the Group provides termination benefits to employees, the liability for employee benefits arising from such termination benefits is recognised at the earlier of the following dates and charged to profit or loss for the period: when the Group can no longer unilaterally withdraw the termination benefits offered due to a plan to terminate employment relationships or a proposal for reductions in workforce; or when the Group recognises costs or expenses related to a restructuring that involves payment of termination benefits.

**23. Provisions**

Except for contingent consideration and assumed contingent liabilities in business combinations not under common control, the Group recognises a provision for contingent events where it has a present obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be measured reliably.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **23. Provisions (continued)**

Provisions are initially measured at the best estimate of the expenditure required to settle the present obligation, taking into account all relevant factors including risks, uncertainties and the time value of money associated with contingent events. The carrying amount of the provision is reviewed at the balance sheet date and adjusted appropriately to reflect the current best estimate.

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

#### **24. Share-based payment**

Share-based payment is classified into share-based payment settled in equity and share-based payment settled in cash. Equity-settled share-based payment refers to a transaction in which the Group settles by issuing shares or other equity instruments as consideration for services received.

Where share-based payments settled in equity are exchanged for services provided by employees, they shall be measured at the fair value of the equity instruments granted to the

employees. For awards that are exercisable immediately upon grant, the fair value is recognised as a cost or expense on the grant date, with a corresponding increase in share premium. For awards that become exercisable only after completion of service during the vesting period or upon meeting specified performance conditions, the service received in the current period is recognised as a cost or expense over the vesting period at each balance sheet date, based on the best estimate of the number of equity instruments expected to vest and measured at the fair value on the grant date, with a corresponding increase in share premium.

Under the employee incentive plan, the Company granted restricted shares to the incentivised recipients. The recipients subscribed for the shares initially; however, if the unlocking conditions stipulated in the share incentive plan are not subsequently met, the Company shall repurchase the shares at the pre-agreed price. Where restricted shares issued to employees have completed the capital increase procedures, including registration, in accordance with relevant regulations, the Company shall recognise share capital and capital reserve (share premium) on the grant date based on the subscription payments received from employees; simultaneously, a repurchase obligation shall be recognised as treasury shares and other payables.

#### **25. Revenue from contracts with customers**

The Group's revenue is primarily derived from the following business types: sales of wind turbines and related accessories, sales of power station products, power generation and electricity sales, construction services, and sales of photovoltaic products.

The Group recognises revenue when it satisfies a performance obligation in a contract, that is, when the customer obtains control of the relevant goods or services. Obtaining control of the relevant goods or services means having the ability to direct their use or the provision of the services and obtaining substantially all of the economic benefits therefrom.

##### **Revenue from wind turbines and related accessories**

In the Group's wind turbine and related accessories sales business, contracts typically entered

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **25. Revenue from contracts with customers (continued)**

##### **Revenue from wind turbines and related accessories (continued)**

into with customers include two commitments: the sale of wind power generating units and the

provision of operation and maintenance services. As customers can derive benefit from each of these goods or services separately or together with other readily available resources, and as each of these goods or services commitments is separately identifiable from other goods or services commitments, each of the aforementioned goods or services commitments constitutes a separate performance obligation.

The Group satisfies its performance obligation for the transfer of complete wind turbines and spare parts when the goods are delivered to the customer and accepted by the customer; at that point, control of the complete wind turbines and spare parts passes to the customer, and revenue is recognised by the Group.

For the performance obligation regarding the operation and maintenance of wind farms, the Group recognises revenue upon completion of the operation and maintenance services provided in each year throughout the duration of the operation and maintenance contract.

The Group provides product quality warranties for the sale of wind turbines and related accessories. For assurance-type warranties provided to customers to ensure that sold goods comply with established standards, the Group accounts for them in accordance with Note III.23.

##### **Sales revenue from power station products**

The performance obligation of the Group in relation to sales of power station products to customers is the transfer of such products. The Group sells power station product assets by transferring equity in project companies. Revenue from the sale of power station products is recognised when the customer obtains substantive control over such assets, based on the transaction price adjusted according to the consideration for the equity transfer.

##### **Revenue from electricity sales**

The Group's contracts with customers include performance obligations for the generation and transmission of electricity. Revenue from electricity sales is recognised monthly based on the volume of electricity fed into the grid and the settlement tariff.

##### **Revenue from construction services**

Construction contracts between the Group and its customers include commitments for multiple goods and services, such as construction design, equipment procurement, and construction installation. As the Group is required to integrate the aforementioned goods or services into a combined output promised in the contract for transfer to the customer, the Group treats the entire bundle as a single performance obligation.

As the customer controls the work in progress during the Group's performance of its obligations, the Group recognises revenue over time based on the progress towards completion, except where the progress cannot be reasonably determined. The Group determines the progress of performance of construction services using the input method based on costs incurred. Where the progress of performance cannot be reasonably determined, if the costs incurred by the Group are expected to be recoverable, revenue shall be recognised based on the amount of costs incurred until such time as the progress of performance can be reasonably determined.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **25. Revenue from contracts with customers (continued)**

##### **Revenue from sales of photovoltaic products**

The Group recognises revenue when the performance obligation to transfer photovoltaic products is satisfied, which occurs when the photovoltaic products are delivered to the customer and the customer has accepted the goods, thereby obtaining control of the photovoltaic products.

#### **26. Contract Assets and Contract Liabilities**

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between the satisfaction of performance obligations and customer payments. Contract assets and contract liabilities arising from the same contract are presented on a net basis after offsetting.

##### **(1) Contract assets**

Contract assets are recognised for the right to consideration in exchange for goods or services transferred to a customer before the customer pays the contract price or before that payment is due, where that right is conditional on factors other than the passage of time; such amounts are reclassified as receivables when an unconditional right to receive payment is obtained.

The methods for determining the expected credit losses on contract assets and the accounting treatment adopted by the Group are detailed in Note III.11.

##### **(2) Contract liabilities**

Contract liabilities are recognised for the obligation to transfer goods or services to a customer in respect of consideration received from the customer or an unconditional right to receive consideration before the transfer of those goods or services to the customer.

#### **27. Assets arising from costs to obtain or fulfil a contract**

Assets of the Group related to contract costs comprise contract acquisition costs and contract fulfilment costs. They are presented separately in inventory, other current assets and other non-current assets according to their liquidity.

Incremental costs incurred by the Group to obtain a contract are recognised as an asset as contract acquisition costs if it is expected that they will be recoverable.

Costs incurred by the Group to fulfil a contract that are not within the scope of application of relevant standards on inventories, property, plant and equipment or intangible assets shall be recognised as an asset as costs of fulfilling a contract if they satisfy all of the following conditions:

- (1) The cost is directly related to a current or expected contract, including direct labour, direct materials, manufacturing overheads (or similar costs), costs explicitly borne by the customer, and other costs incurred solely as a result of that contract;
- (2) The cost increased the resources available to the Company for fulfilling its performance obligations in the future;
- (3) It is expected that the cost will be recoverable.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **27. Assets arising from costs to obtain or fulfil a contract (continued)**

The Group amortises assets related to contract costs on the same basis as the recognition of revenue associated with those assets, and charges them to profit or loss for the current period.

For assets related to contract costs, if their carrying amount exceeds the difference between the following two items, the Group shall recognise an impairment provision for the excess and record it as an impairment loss on assets:

- (1) the remaining consideration expected to be received for transferring goods or services related to that asset;
- (2) The costs estimated to be incurred for the transfer of such goods or services.

#### **28. Government Grants**

Government grants are recognised when it becomes probable that the conditions attached to them will be met and the grants will be received. Where government grants are monetary assets, they shall be measured at the amount received or receivable. Where government grants are non-monetary assets, they shall be measured at fair value; where fair value cannot be reliably determined, they shall be measured at a nominal amount.

Government grants intended for the acquisition or construction of long-term assets, or for forming such assets in other ways, are classified as government grants related to assets. Where the government documentation is unclear, judgement shall be based on the fundamental conditions required to obtain the grant; those with the acquisition or construction of long-term assets, or the formation of such assets in other ways, as a fundamental condition are classified as government grants related to assets, whereas all others are classified as government grants related to income.

Government grants related to income that compensate for incurred relevant costs, expenses or losses are recognised in profit or loss for the current period or deducted from the relevant costs; those compensating for relevant costs, expenses or losses in future periods are recognised as deferred income and recognised in profit or loss for the current period or deducted from the relevant costs when the relevant costs, expenses or losses are recognised. Government grants measured at nominal amounts are recognised directly in profit or loss for the current period. The Company adopts a consistent method for accounting for government grants of the same or similar nature.

Government grants related to assets are recognised as deferred income and are systematically allocated to profit or loss over the useful life of the relevant asset using a rational method. Government grants related to ordinary activities are recognised as other income in accordance with the substance of the economic transactions. Government grants unrelated to ordinary activities are recognised as non-operating income.

Where government grants recognised are required to be repaid: if the carrying amount of the relevant asset was initially reduced upon recognition, the carrying amount of the asset shall be adjusted; if there is a remaining balance in the relevant deferred income, such balance shall be offset against the deferred income, with any excess recognised in profit or loss for the current period; in all other cases, the amount shall be directly recognised in profit or loss for the current period.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **29. Deferred income tax**

The Group applies the balance sheet liability method to recognise deferred tax liabilities and assets arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases at the end of the reporting period, as well as from temporary differences arising from items that are not recognised as assets or liabilities in the financial statements but whose tax bases can be determined in accordance with tax laws.

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

- (1) Taxable temporary differences arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss), provided that the initial recognition of the asset and liability does not give rise to equal amounts of taxable temporary differences and deductible temporary differences;
- (2) In respect of taxable temporary differences arising from investments in subsidiaries, joint ventures and associates, the timing of the reversal of such temporary differences is controlled by the entity and it is probable that such temporary differences will not reverse in the foreseeable future.

For deductible temporary differences, deductible losses carried forward to future years, and tax credits, the Group recognises deferred tax assets arising therefrom to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, unless:

- (1) Deductible temporary differences arise from transactions that are not business combinations, where the transaction at the time of occurrence does not affect accounting profit or taxable income or deductible losses, and the initial recognition of assets and liabilities does not give rise to equal amounts of taxable temporary differences and deductible temporary differences;
- (2) In respect of deductible temporary differences relating to investments in subsidiaries, joint ventures and associates, such temporary differences are expected to reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the deductible temporary differences can be utilised.

At the balance sheet date, in accordance with tax laws and regulations, the Group measures deferred tax assets and deferred tax liabilities at the applicable tax rates expected to apply during the periods in which the assets are expected to be recovered or the liabilities settled, reflecting the income tax effects of the expected manner of recovery of assets or settlement of liabilities at the balance sheet date.

At the end of the reporting period, the Group reviews the carrying amount of deferred tax assets. If it is probable that sufficient taxable profits will not be available in future periods to utilise the benefits of deferred tax assets, the carrying amount of deferred tax assets is reduced. At the end of the reporting period, the Group reassesses unrecognized deferred tax assets and recognizes such assets to the extent that it is probable that sufficient taxable profits will be available against which all or part of the deferred tax assets can be utilised.

Deferred tax assets and deferred tax liabilities shall be presented on a net basis only when the

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **29. Deferred income tax (continued)**

following conditions are met: there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, but in respect of which those taxable entities intend either to settle current tax assets and current tax liabilities on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and deferred tax liabilities are expected to be recovered or settled.

#### **30. Leases**

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

##### **(1) As a lessee**

Except for short-term leases and leases of low-value assets, the Group recognises right-of-use assets and lease liabilities.

At the commencement date of the lease, the Group recognises the right to use the leased asset during the lease term as a right-of-use asset and measures it initially at cost. The cost of the right-of-use asset comprises: the initial measurement amount of the lease liability; lease payments made at or before the commencement date of the lease (less any lease incentives received); initial direct costs incurred by the lessee; and estimates of costs to be incurred by the lessee for dismantling and removing the leased asset, restoring the site on which it is located, or restoring the leased asset to the condition stipulated in the lease terms. Where the Group remeasures its lease liabilities due to changes in lease payments, it adjusts the carrying amount of the right-of-use assets accordingly. The Group subsequently depreciates the right-of-use assets using the straight-line method. Where it is reasonably certain that the Group will obtain ownership of the leased asset at the end of the lease term, depreciation is charged over the remaining useful life of the leased asset. Where it is not reasonably certain that the Group will obtain ownership of the

leased asset at the end of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life of the leased asset.

At the commencement date of the lease, the Group recognises a lease liability for the present value of the lease payments not yet paid, except for short-term leases and leases of low-value assets. Lease payments comprise the amount of fixed payments and in-substance fixed payments less lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Group is reasonably certain to exercise that option, or the payment required to exercise a termination option if the lease term reflects the Group's intention to exercise that termination option. Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss for the period in which they occur, unless otherwise stipulated to be included in the cost of the relevant asset. Where the amount of fixed payments under a lease changes, the estimated amount payable under a residual value guarantee varies, the index or rate used to determine lease payments fluctuates, or the assessment results or actual exercise of purchase options, renewal options, or termination options change, the Group remeasures the lease liability based on the present value of the revised lease payments.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **30. Leases (continued)**

##### **(1) As a lessee (continued)**

The Group shall classify a lease as a short-term lease if the lease term does not exceed 12 months and does not include a purchase option. A lease is classified as a low-value asset lease when the underlying asset is of low value when new.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of electronic equipment and transport tools. It is recognised in the relevant asset cost or profit or loss for the period on a straight-line basis over each period of the lease term.

##### **(2) As a lessor**

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term. Variable lease payments that are not included in the lease receivables are recognised in profit or loss when they occur. Initial direct costs are capitalised and allocated over the lease term on a basis consistent with that used to recognise rental income, with amounts recognised in profit or loss on a periodic basis.

#### **31. Share repurchase**

The consideration paid and transaction costs incurred for the repurchase of the Company's own equity instruments shall be deducted from shareholders' equity. Except for share-based payment arrangements, issuances (including refinancing), repurchases, sales or cancellations of the Company's own equity instruments are accounted for as changes in equity.

#### **32. Safety Production Expenses**

Safety production expenses accrued in accordance with regulations are recognised as part of the cost of relevant products or as current period profit or loss, and simultaneously credited to special reserves. Upon utilisation, treatment differs depending on whether a fixed asset is formed: for expenditure classified as revenue in nature, the amount is directly offset against special reserves; where a fixed asset is formed, the incurred expenditure is accumulated, and upon reaching its intended usable state, the fixed asset is recognised, while an equivalent amount is deducted from special reserves and an equivalent amount of accumulated depreciation is recognised.

#### **33. Fair Value Measurement**

Assets and liabilities measured or disclosed at fair value in the financial statements are classified into a fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date; Level 2 inputs are observable inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the relevant assets or liabilities; Level 3 inputs are unobservable inputs for the relevant assets or liabilities.

At each reporting date, the Group reassesses the assets and liabilities recognised in the financial statements that are measured at fair value on a continuing basis to determine whether any transfers between levels of the fair value hierarchy have occurred.

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **34. Significant Accounting Judgements and Estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised and disclosed for income, expenses, assets and liabilities, as well as the disclosure of contingent liabilities at the balance sheet date. The uncertainty arising from these assumptions and estimates may result in a material adjustment to the carrying amount of assets or liabilities affected in the future.

##### **(1) Judgement**

In the application of the Group's accounting policies, management has made the following judgements that have a significant effect on the amounts recognised in the financial statements:

###### **Method for determining the progress of performance under construction contracts**

The Group determines the progress of performance under construction contracts using the input method. Specifically, the progress of performance is determined by the proportion of cumulative actual construction costs incurred to the estimated total costs. Cumulative actual costs include direct and indirect costs incurred by the Company in transferring goods to the customer. The Group considers that the contract price for construction contracts with customers is determined based on construction costs, and the proportion of actual construction costs incurred to the estimated total costs accurately reflects the progress of performance of the construction services. Given that construction contracts typically span a prolonged period and may extend across several accounting periods, the Group reviews and revises budgets as the construction contracts progress, thereby adjusting the amount of revenue recognised accordingly.

##### **(2) Uncertainty of Estimates**

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

###### **Impairment of Financial Instruments and Contract Assets**

The Group assesses impairment of financial instruments and contract assets using the expected credit loss model. The application of the expected credit loss model requires significant judgement and estimation, taking into account all reasonable and supportable information, including forward-looking information. In making these judgements and estimates, the Group has inferred the expected changes in the credit risk of debtors by combining historical repayment data with factors such as economic policy, macroeconomic indicators, and industry risks. Different estimates may affect the recognition of impairment provisions, and recognised impairment provisions may not equal the actual amount of future impairment losses.

###### **Capitalisation of Borrowing Costs**

Management is required to apply significant accounting estimates and judgements to assess whether borrowing costs qualify for capitalisation and to calculate the amount of borrowing costs to be capitalised. This includes evaluating the appropriateness of the commencement and cessation dates for capitalisation. Specifically, it involves verifying whether the commencement date satisfies the conditions that expenditure on the asset has occurred, borrowing costs have been incurred, and activities necessary to bring the asset to its intended usable condition have commenced. Furthermore, management must determine whether the cessation date, when construction or production work on the qualifying asset is substantially complete and the asset is ready for its intended use, is accurate. Furthermore, management shall also determine the

### **III. Significant Accounting Policies and Accounting Estimates (continued)**

#### **34. Significant Accounting Judgements and Estimates (continued)**

##### **(2) Uncertainty of Estimates (continued)**

classification of specific borrowings and general borrowings based on the nature of the loans, and recalculate the capitalisation rate and capitalised borrowing costs in accordance with the current and cumulative expenditures on construction in progress. Given that the amount of borrowing costs capitalised by the Group is material, such estimates and judgements have a significant impact on the financial position and results of operations of the Group's consolidated financial statements.

##### Impairment of non-current assets other than financial assets (excluding goodwill)

The Group assesses at the balance sheet date whether there are any indications that non-financial assets, other than financial assets, may be impaired. For intangible assets with indefinite useful lives, impairment tests are performed not only annually but also whenever there is an indication of impairment. Non-current assets other than financial assets are subject to impairment testing when there is an indication that their carrying amount may not be recoverable. An impairment is indicated when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of estimated future cash flows. The net amount after deducting disposal costs from fair value is determined by reference to the sales agreement price of similar assets in arm's length transactions or observable market prices, less incremental costs directly attributable to the disposal of the asset. When calculating the present value of estimated future cash flows, management is required to estimate the expected future cash flows of the asset or cash-generating unit and select an appropriate discount rate to determine the present value of those future cash flows.

##### Impairment of goodwill

The Group tests goodwill for impairment at least annually. This requires an estimate of the present value of future cash flows for the asset group or combination of asset groups to which goodwill has been allocated. In estimating the present value of future cash flows, the Group is required to forecast the cash flows generated by the asset group or the combination of asset groups and to select an appropriate discount rate to determine the present value of those future cash flows.

##### Fair value of unlisted equity investments

The Group determines the fair value of its investments in unlisted equity interests using the market approach. This requires the Group to identify comparable listed companies, select market multiples, and estimate liquidity discounts; consequently, it entails uncertainty.

##### Income tax and deferred income tax

A deferred tax asset shall be recognised for all unused deductible losses to the extent that it is probable that there will be sufficient taxable profits against which the deductible losses can be utilised. This requires management to exercise significant judgement in estimating the timing and amount of future taxable profits, combined with tax planning strategies, to determine the amount of deferred tax assets to be recognised.

As stated in Note IV, the Company and its subsidiaries, namely Mingyang Smart Energy Group Co., Ltd., Tianjin Mingyang Wind Power Blade Technology Co., Ltd., Tianjin Ruiyuan Electrical Equipment Co., Ltd., Shenzhen Liangyun Energy Network Technology Co., Ltd., Runyang Energy Technology Co., Ltd., Tianjin Mingzhi Runyang Technology Co., Ltd., Henan Mingyang Smart Energy Co., Ltd., Guangdong Mingyang New Energy Technology Co., Ltd., Mingyang Smart

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**III. Significant Accounting Policies and Accounting Estimates (continued)**

**34. Significant Accounting Judgements and Estimates (continued)**

**(2) Uncertainty of Estimates (continued)**

Energy Group Beijing Technology Co., Ltd., and Shanwei Mingyang New Energy Technology Co., Ltd., Guangdong Mingyang Longyuan Power Electronics Co., Ltd., Guangdong Anpu Power Technology Co., Ltd., Mingyang Northern Smart Energy (Inner Mongolia) Co., Ltd., Xilin Gol League Mingyang New Energy Co., Ltd., Zhongshan Ruikou New Energy Co., Ltd., and Guangdong Mingyang Thin Film Technology Co., Ltd. are recognised as high-tech enterprises. The validity period of the High-Tech Enterprise qualification is three years. Upon expiry, a re-application for High-Tech Enterprise certification must be submitted to the relevant government authorities. Based on historical experience regarding the re-certification of high-tech enterprises upon expiry in prior years and the Group's actual circumstances, management of the Group considers that the Group will continue to obtain high-tech enterprise certification in future years.

Consequently, deferred income tax is calculated accordingly at the preferential tax rate of 15%. Should the Group fail to obtain re-approval of its high-tech enterprise qualification upon its expiry in the future, deferred income tax shall be calculated at the statutory rate of 25%, thereby affecting the recognised deferred income tax assets, deferred income tax liabilities and income tax expense.

**Warranty**

The Group makes a reasonable estimate of the warranty rate for portfolios of contracts with similar characteristics, taking into account historical warranty data, current warranty status, and all relevant information including product improvements and market changes. The estimated warranty rate may not equate to the actual warranty rate in the future. The Group reassesses the warranty rate at least at each balance sheet date and determines the provision for warranties based on the reassessed rate.

**Expenditure on development**

When determining the amount to be capitalised, management is required to make assumptions regarding the asset's expected future cash flows, the applicable discount rate, and the estimated period of benefit.

**35. Changes in Significant Accounting Policies**

The Ministry of Finance issued several 'Implementation Q&A on Enterprise Accounting Standards' (hereinafter referred to as the 'Implementation Q&A') in 2025. The accounting policies consistently adopted by the Group are consistent with the principles set out in the aforementioned Implementation Q&A. The Implementation Q&A has no significant impact on the financial statements of the Group and the Company.

Furthermore, the Ministry of Finance issued Interpretation No. 19 to the Accounting Standards for Business Enterprises in December 2025, which shall become effective on 1 January 2026. The Company expects that the implementation of this Interpretation will have no significant impact on the financial statements of the Group and the Company.

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**IV. Taxation**

**1. Major taxes and tax rates**

	Tax base	Tax rate
Value Added Tax	Taxable income	3%, 5%, 6%, 9%, 13%
Urban Maintenance and Construction Tax	Turnover tax payable	1%, 5%, 7%
Education Surcharge	Turnover tax payable	1.5%, 2%, 3%
Property Tax	Deduction of a fixed proportion from the original value of real estate	1.2%
Land Use Tax	Actual land area occupied	0.6%-30%
Stamp duty	The amount specified in the contract	0.03%
Corporate Income Tax	taxable income	15%, 16.5%, 20%, 25%

**2. Tax Incentives**

**(1) Income tax incentives**

**Income tax incentives for high-tech enterprises**

In accordance with the provisions of the 'Enterprise Income Tax Law of the People's Republic of China' and its implementing regulations, enterprise income tax shall be payable at a reduced rate of 15%. The companies within the Group that comply with the aforementioned concessions are listed below:

Name of the Unit	Certificate Number	Commencement Time	Validity period of the certificate
Mingyang Smart Energy Group Co., Ltd.	GR202444007939	11 December 2024	3 years
Tianjin Mingyang Wind Power Blade Technology Co., Ltd.	GR202312003037	8 December 2023	3 years
Tianjin Ruiyuan Electric Co., Ltd.	GR202512001033	8 December 2025	3 years
Shenzhen Liangyun Energy Network Technology Co., Ltd.	GR202444200973	26 December 2024	3 years
Runyang Energy Technology Co., Ltd.	GR202311007771	20 December 2023	3 years
Tianjin Mingzhi Runyang Technology Co., Ltd.	GR202312002862	8 December 2023	3 years
Henan Mingyang Smart Energy Co., Ltd.	GR202341003588	8 December 2023	3 years
Guangdong Mingyang New Energy Technology Co., Ltd.	GR202344001519	28 December 2023	3 years
Mingyang Smart Energy Group Beijing Technology Co., Ltd.	GR202411010018	31 December 2024	3 years
Shanwei Mingyang New Energy Technology Co., Ltd.	GR202544011260	19 December 2025	3 years
Guangdong Mingyang Longyuan Power Electronics Co., Ltd.	GR202344011830	28 December 2023	3 years
Guangdong Anpu Power Technology Co., Ltd.	GR202344015317	28 December 2023	3 years
Mingyang Northern Smart Energy (Inner Mongolia) Co., Ltd.	GR202415000448	7 December 2024	3 years
Xilin Gol League Mingyang New Energy Co., Ltd.	GR202415000474	7 December 2024	3 years
Guangdong Mingyang Film Technology Co., Ltd.	GR202544009324	19 December 2025	3 years
Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd.	GR202532008631	19 December 2025	3 years

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**IV. Taxation (continued)**

**2. Tax Incentives (continued)**

**(1) Income tax incentives (continued)**

**Income Tax Incentives for Enterprises in the Western Development Strategy Program**

Pursuant to Article 1 of the 'Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Corporate Income Tax Policy for Western Region Development' (Ministry of Finance Announcement No. 23 of 2020): from 1 January 2021 to 31 December 2030, corporate income tax shall be levied at a reduced rate of 15% on enterprises engaged in encouraged industries located in the Western Region. The enterprises referred to in this Article as encouraged industries are those whose main business consists of industrial projects stipulated in the 'Catalogue of Encouraged Industries for the Western Region', and where their revenue from main business activities accounts for more than 60% of the total enterprise revenue. The 'Catalogue of Encouraged Industries for the Western Region' (2020 Edition) came into effect on 1 March 2021. The subsidiaries of the Group that comply with the aforementioned concessions are listed as follows:

Name of the Unit	During the period of enjoying preferential policies
Qinghai Mingyang New Energy Co., Ltd.	2021 to 2030
Gansu Mingyang Smart Energy Co., Ltd.	2021 to 2030
Mingyang Northern Smart Energy (Inner Mongolia) Co., Ltd.	2021 to 2030
Lanzhou Jiexin New Energy Co., Ltd.	2021 to 2030
Turpan Xinyang New Energy Industry Co., Ltd.	2021 to 2030
Xinjiang Wanbang Energy Development Co., Ltd.	2021 to 2030
Xinjiang Huaran New Energy Co., Ltd.	2021 to 2030
Xilin Gol League Mingyang New Energy Co., Ltd.	2021 to 2030
Guangxi Mingyang Smart New Energy Technology Co., Ltd.	2021 to 2030
Inner Mongolia Haoyang New Energy Co., Ltd.	2021 to 2030
Wuhai Mingyang New Energy Co., Ltd.	2021 to 2030
Baotou Mingyang New Energy Co., Ltd.	2021 to 2030
Shaanxi Jingbian Mingyang New Energy Power Generation Co., Ltd.	2021 to 2030
Midu Jieyuan New Energy Power Generation Co., Ltd.	2021 to 2030
Shaanxi Dingbian Jieyuan New Energy Power Generation Co., Ltd.	2021 to 2030
Xilin Gol League Mingyang Zhihui New Energy Co., Ltd.	2021 to 2030
Pingle Jieyuan New Energy Co., Ltd.	2021 to 2030
Gongcheng Jieyuan New Energy Co., Ltd.	2021 to 2030
Lhasa Ruide Xingyang New Energy Technology Co., Ltd.	2021 to 2030
Lhasa Mingyang New Energy Co., Ltd.	2021 to 2030
Longsheng Jieyuan New Energy Co., Ltd.	2021 to 2030
Shiqian Mingyang New Energy Co., Ltd.	2021 to 2030
Yunnan Mingyang New Energy Co., Ltd.	2021 to 2030
Wenshan Mingyang New Energy Co., Ltd.	2021 to 2030
Yunnan Mingyang Wind Power Technology Co., Ltd.	2021 to 2030
Inner Mongolia Mingyang Longyuan Power Electronics Co., Ltd.	2021 to 2030

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**IV. Taxation (continued)**

**2. Tax Incentives (continued)**

**(1) Income tax incentives (continued)**

**Corporate Income Tax Incentives for the Hainan Free Trade Port**

Pursuant to Article 1 of the Announcement of the Hainan Provincial Taxation Bureau of the State Administration of Taxation on Relevant Issues Concerning the Continuation of the Implementation of Preferential Corporate Income Tax Policies for the Hainan Free Trade Port (Announcement No. 2 of 2025 of the Hainan Provincial Taxation Bureau of the State Administration of Taxation): corporate income tax shall be levied at a reduced rate of 15% upon enterprises engaged in encouraged industries that are registered in and substantially operating within the Hainan Free Trade Port. The term 'encouraged industry enterprises' as referred to in this Article shall mean enterprises whose main business consists of industrial projects stipulated in the Catalogue of Encouraged Industries for the Hainan Free Trade Port, and where their revenue from such main business accounts for more than 60% of the Company's total revenue. The 'Catalogue of Encouraged Industries for the Hainan Free Trade Port' (2024 Edition) shall come into force on 1 March 2024 and shall be revised from time to time in accordance with the requirements of the construction of the Hainan Free Trade Port. The subsidiaries of the Group that comply with the aforementioned concessions are listed as follows:

Name of the Unit	During the period of enjoying preferential policies
Dongfang Mingyang Technology New Energy Co., Ltd.	2025 to 2027
Dongfang Mingyang New Material Technology Co., Ltd.	2025 to 2027

**Tax incentives for Small and Micro Enterprises**

In accordance with the provisions of the 'Enterprise Income Tax Law of the People's Republic of China' and its implementing regulations, enterprise income tax shall be payable at a reduced rate of 15%. The subsidiaries of the Group that qualify for the aforementioned concessions are listed below: In accordance with the 'Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households Regarding Relevant Tax and Fee Policies' (Announcement No. 12 of 2023 by the Ministry of Finance and the State Administration of Taxation), the policy whereby taxable income for small profitable enterprises is calculated at 25% of the actual amount and corporate income tax is levied at a rate of 20% shall be extended until 31 December 2027. The subsidiaries of the Group that comply with the aforementioned concessions are listed as follows:

Name of the Unit	Expiry date of tax incentives
Zhongshan Mingyang New Energy Technology Co., Ltd.	31 December 2027
Xinyang Mingyang New Energy Technology Co., Ltd.	31 December 2027
Tongliao Mingyang Smart Energy Co., Ltd.	31 December 2027

**Corporate Income Tax Preferential Policies for Public Infrastructure Projects**

In accordance with Article 27 of the Implementation Regulations of the Enterprise Income Tax Law of the People's Republic of China, income derived from the investment and operation of key national support public infrastructure projects may be subject to a reduction or exemption from enterprise income tax. The subsidiaries of the Group that comply with the aforementioned concessions are listed as follows:

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**IV. Taxation (continued)**

**2. Tax Incentives (continued)**

**(1) Income tax incentives (continued)**

Name of the Entity	Exemption Period	reduction period
Gongcheng Jieyuan New Energy Co., Ltd.	Completed	1 January 2023 to 31 December 2025
Xinyang Run Dian New Energy Co., Ltd.	Completed	1 January 2023 to 31 December 2025
Pingle Jieyuan New Energy Co., Ltd.	Completed	1 January 2023 to 31 December 2025
Gushi County Mingwu New Energy Co., Ltd.	Completed	1 January 2023 to 31 December 2025
Jieyang Yangyang Offshore Wind Power Development Co., Ltd.	Completed	1 January 2023 to 31 December 2025
Shaanjing Jingbian Mingyang New Energy Power Generation Co., Ltd.	Concluded	1 January 2024 to 31 December 2026
Inner Mongolia Haoyang New Energy Co., Ltd.	Completed	1 January 2024 to 31 December 2026
Lingbo Xunneng New Energy Co., Ltd.	Completed	1 January 2024 to 31 December 2026
Xinyang Minghong New Energy Co., Ltd.	Completed	1 January 2024 to 31 December 2026
Yangjiang Mingyang New Energy Technology Co., Ltd.	Completed	1 January 2024 to 31 December 2026
Heilongjiang Jieyuan Wind Power Generation Co., Ltd.	Completed	1 January 2025 to 31 December 2027
Taonan Baiqiang New Energy Co., Ltd.	Completed	1 January 2025 to 31 December 2027
Baotou Mingyang New Energy Co., Ltd.	1 January 2023 to 31 December 2025	1 January 2026 to 31 December 2028
Mingyang Smart (Lingao) New Energy Technology Co., Ltd.	1 January 2023 to 31 December 2025	1 January 2026 to 31 December 2028
Nanyang Jiegong Construction Engineering Co., Ltd.	1 January 2023 to 31 December 2025	1 January 2026 to 31 December 2028
Wenxian Jieyuan New Energy Co., Ltd.	From 1 January 2023 to 31 December 2025	1 January 2026 to 31 December 2028
Yangjiang Mingyang Yunhua Offshore Wind Power Development Co., Ltd.	1 January 2023 to 31 December 2025	1 January 2026 to 31 December 2028
Chengde County Jieyuan Distributed Photovoltaic Power Generation Co., Ltd.	1 January 2023 to 31 December 2025	1 January 2026 to 31 December 2028
Chengde High-tech Zone Jieyuan Distributed Photovoltaic Power Generation Co., Ltd.	1 January 2023 to 31 December 2025	1 January 2026 to 31 December 2028
Shaoguan Mingrui New Energy Co., Ltd.	1 January 2023 to 31 December 2025	1 January 2026 to 31 December 2028
Lanzhou Jiexin New Energy Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Zhaoyuan County Mingyang Wind Power Generation Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Xilin Gol League Mingyang Zhihui New Energy Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Shiqian Mingyang New Energy Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Lechang Yaoyang New Energy Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Shaoguan Zhenjiang Xingyang New Energy Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Shaoguan Wujiang Renyang New Energy Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Shaoguan Qujiang Chuyang New Energy Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Nanxiong Bingyang New Energy Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Shaoguan Mingyang New Energy Technology Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Yancheng Shengyang New Energy Co., Ltd.	1 January 2024 to 31 December 2026	1 January 2027 to 31 December 2029
Jieyuan (Tianjin) New Energy Co., Ltd.	1 January 2025 to 31 December 2027	1 January 2028 to 31 December 2030
Lhasa Mingyang New Energy Co., Ltd.	1 January 2025 to 31 December 2027	1 January 2028 to 31 December 2030
Longsheng Jieyuan New Energy Co., Ltd.	1 January 2025 to 31 December 2027	1 January 2028 to 31 December 2030
Handan Yongnian Jieyuan Wind Power Generation Co., Ltd.	1 January 2025 to 31 December 2027	1 January 2028 to 31 December 2030

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**IV. Taxation (continued)**

**2. Tax Incentives (continued)**

**(1) Income tax incentives (continued)**

Name of the Unit	Exemption Period	Reduction Period
Xinyang Mingshang New Energy Co., Ltd.	From 1 January 2025 to 31 December 2027	1 January 2028 to 31 December 2030
Renhua County Mingyang New Energy Co., Ltd.	1 January 2025 to 31 December 2027	1 January 2028 to 31 December 2030

**(2) Value-added tax preferential policies**

**Tax incentives for the immediate refund of value-added tax on software product sales**

In accordance with the provisions of the 'Notice of the Ministry of Finance and the State Administration of Taxation on Value-Added Tax Policies for Software Products' (Cai Shui [2011] No. 100), where a general VAT taxpayer sells software products developed and produced by itself, a policy of immediate levy and refund shall be implemented for the portion of the actual VAT burden exceeding 3% after the VAT has been levied at the prevailing tax rate. The subsidiaries of the Group that comply with the aforementioned concessions are listed as follows:

Name of the Entity	Commencement date of tax incentives
Tianjin Ruiyuan Electric Co., Ltd.	2 September 2021
Shenzhen Liangyun Energy Network Technology Co., Ltd.	1 March 2016

**Value-added tax preferential policy for wind power generation involving immediate levy and refund**

In accordance with the 'Notice of the Ministry of Finance and the State Administration of Taxation on Value-Added Tax Policies for Wind Power Generation' (Cai Shui [2015] No. 74): effective from 1 July 2015, a policy of immediate levy and 50% refund is implemented for taxpayers selling electricity products generated by wind power that they have produced themselves. The 'Announcement of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration on Adjusting Value-Added Tax Policies for Wind Power Generation etc.' (Announcement No. 10 of 2025 of the Ministry of Finance, the General Administration of Customs and the State Taxation Administration) amends the aforementioned value-added tax policy as follows: From 1 November 2025 to 31 December 2027, a policy of immediate refund of 50% of the value-added tax shall be implemented for taxpayers selling electricity products generated from offshore wind power that they have produced themselves. The subsidiaries of the Group to which the aforementioned concessions apply are listed below:

Name of the Unit	During the period of enjoying preferential policies
Xinjiang Wanbang Energy Development Co., Ltd.	March 2014 to October 2025
Xinjiang Huaran New Energy Co., Ltd.	April 2020 to October 2025
Hongrun (Huanghua) New Energy Co., Ltd.	April 2017 to October 2025
Inner Mongolia Haoyang New Energy Co., Ltd.	May 2024 to October 2025
Shaanjing Jingbian Mingyang New Energy Power Generation Co., Ltd.	February 2025 to October 2025

**Mingyang Smart Energy Group Co., Ltd.**  
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**IV. Taxation (continued)**

**2. Tax Incentives (continued)**

**(2) Value-added tax preferential policies**

**Additional deduction of value-added tax for advanced manufacturing enterprises**

Pursuant to Article 1 of the 'Announcement of the Ministry of Finance and the State Taxation Administration on the Policy of Additional Deduction for Value-Added Tax by Advanced Manufacturing Enterprises' (Announcement No. 43 of 2023 of the Ministry of Finance and the State Taxation Administration): From 1 January 2023 to 31 December 2027, advanced manufacturing enterprises are permitted to reduce the value-added tax payable by an additional 5% of the input VAT deductible in the current period (hereinafter referred to as the additional deduction policy). The companies within the Group that comply with the aforementioned concessions are listed below:

Name of the Unit	During the period of entitlement to preferential policies
Mingyang Smart Energy Group Co., Ltd.	1 January 2023 to 31 December 2027
Tianjin Mingyang Wind Power Blade Technology Co., Ltd.	1 January 2023 to 31 December 2027
Shanwei Mingyang New Energy Technology Co., Ltd.	1 January 2023 to 31 December 2027
Henan Mingyang Smart Energy Co., Ltd.	1 January 2023 to 31 December 2027
Tianjin Ruiyuan Electric Co., Ltd.	1 January 2023 to 31 December 2027
Guangdong Mingyang Longyuan Power Electronics Co., Ltd.	1 January 2023 to 31 December 2027

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**V. Notes to Significant Items in the Consolidated Financial Statements**

**1. Cash and cash equivalents**

	2025	2024
Cash on hand	40,059.90	213,970.02
Bank deposits	10,255,481,469.64	14,130,465,741.69
Other monetary funds	<u>393,425,327.65</u>	<u>453,091,311.17</u>
Total	<u>10,648,946,857.19</u>	<u>14,583,771,022.88</u>
Of which: the total amount of funds held overseas	194,954,920.96	197,255,050.57

As at 31 December 2025, the Group's cash and cash equivalents were subject to restrictions on ownership or usage rights; see Note V.25.

**2. Financial assets held for trading**

	2025	2024
Financial assets measured at fair value through profit or loss		
wealth management products	1,352,142,143.04	-
Investment in equity instruments	<u>1,068,041.07</u>	<u>1,182,821.44</u>
Total	<u>1,353,210,184.11</u>	<u>1,182,821.44</u>

**3. Notes receivable**

**(1) Classification and presentation of notes receivable**

	2025	2024
Banker's Acceptance Bill	22,049,364.01	-
Commercial Acceptance Bill	<u>169,804,176.75</u>	<u>34,441,314.66</u>
Less: Allowance for impairment losses on notes receivable	<u>1,205,827.71</u>	<u>861,032.87</u>
Total	<u>190,647,713.05</u>	<u>33,580,281.79</u>

As at 31 December 2025, the Group had no instances where bills were converted into trade receivables due to non-performance.

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**3. Notes receivable (continued)**

**(2) Bills of exchange endorsed or discounted but not yet due at the balance sheet date**

	derecognition	Not derecognised
Bank Acceptance Bill	-	-
Commercial Acceptance Bill	-	32,709,500.98
Total	-	32,709,500.98

**(3) Provision for impairment losses on a portfolio of bills receivable**

	Balance per the books	Provision for impairment	Accrual Ratio (%)
Bank Acceptance Bill	22,049,364.01	44,098.73	0.20
Commercial Acceptance Bill	169,804,176.75	1,161,728.98	0.68
Total	191,853,540.76	1,205,827.71	

**(4) Status of allowance for doubtful accounts**

	Opening balance	Provision made in the current year	Closing balance
Bank Acceptance Bill	-	44,098.73	44,098.73
Commercial Acceptance Bill	861,032.87	300,696.11	1,161,728.98
Total	861,032.87	344,794.84	1,205,827.71

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**4. Accounts receivable**

**(1) Disclosure by ageing**

	2025	2024
Within 1 year	10,291,109,637.97	7,613,047,605.51
1 to 2 years	3,135,136,800.96	2,932,036,058.49
2 to 3 years	2,033,338,967.93	2,801,608,182.91
3 to 4 years	1,783,909,301.64	1,134,683,731.95
4 to 5 years	627,124,745.62	293,813,674.47
more than 5 years	<u>525,940,238.58</u>	<u>378,354,754.04</u>
Subtotal	18,396,559,692.70	15,153,544,007.37
Less: Allowance for impairment losses on trade receivables	<u>1,559,761,658.16</u>	<u>1,376,620,364.26</u>
Total	<u>16,836,798,034.54</u>	<u>13,776,923,643.11</u>

**(2) Disclosure by classification of the method for provision for impairment allowances**

**2025**

	<u>book balance</u>		<u>Provision for bad debts</u>		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment of receivables made on an individual basis	832,604,677.39	4.53	387,017,800.30	46.48	445,586,877.09
Provision for bad debts is accrued based on portfolios with similar credit risk characteristics.	<u>17,563,955,015.31</u>	<u>95.47</u>	<u>1,172,743,857.86</u>	<u>6.68</u>	<u>16,391,211,157.45</u>
Total	<u>18,396,559,692.70</u>	<u>100.00</u>	<u>1,559,761,658.16</u>	<u>8.48</u>	<u>16,836,798,034.54</u>

**2024**

	<u>Balance per the books</u>		<u>Provision for bad debts</u>		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment of receivables made on an individual basis	774,538,048.39	5.11	371,283,716.03	47.94	403,254,332.36
Provision for bad debts is accrued based on portfolios with similar credit risk characteristics.	<u>14,379,005,958.98</u>	<u>94.89</u>	<u>1,005,336,648.23</u>	<u>6.99</u>	<u>13,373,669,310.75</u>
Total	<u>15,153,544,007.37</u>	<u>100.00</u>	<u>1,376,620,364.26</u>	<u>9.08</u>	<u>13,776,923,643.11</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**4. Accounts receivable (continued)**

**(2) Disclosure by classification of allowance for impairment method (continued)**

The details of trade receivables with individually significant allowances for impairment losses are as follows:

	2025			Reason for Provision	2024	
	Carrying balance	Provision for bad debts	Accrual Ratio (%)		Carrying balance	Provision for bad debts
Unit 1	71,426,400.00	71,426,400.00	100.00	Litigation There is significant uncertainty regarding the recovery of subsidy payments. Shortage of funds by the debtor Shortage of funds by the debtor	71,426,400.00	71,426,400.00
Unit 2	29,887,344.60	29,887,344.60	100.00		29,887,344	29,887,344.60
Unit 3	27,226,606.08	27,226,606.08	100.00		27,541,205.14	27,541,205.14
Unit 4	20,607,999.99	20,607,999.99	100.00		20,607,999.99	20,607,999.99
<b>Total</b>	<b>149,148,350.67</b>	<b>149,148,350.67</b>	<b>100.00</b>		<b>149,462,949.73</b>	<b>149,462,949.73</b>

At 31 December 2025, The status of trade receivables with impairment losses calculated on a combined basis is as follows:

	Balance per the books	Provision for impairment	Accrual Ratio (%)
High-end manufacturing business	16,366,351,474.13	1,118,372,220.06	6.83
Power generation business	879,231,620.35	23,115,539.71	2.63
Engineering construction business	318,371,920.83	31,256,098.09	9.82
<b>Total</b>	<b>17,563,955,015.31</b>	<b>1,172,743,857.86</b>	

Provision for impairment calculated on a combined basis: High-end manufacturing business

	book balance	Provision for impairment	Accrual Ratio (%)
within 6 months	6,323,081,689.09	70,186,206.75	1.11
6 months to 1 year	3,155,816,812.99	70,059,133.25	2.22
1 to 2 years	2,850,735,458.92	158,215,817.97	5.55
2 to 3 years	1,829,138,287.64	182,730,914.94	9.99
3 to 4 years	1,537,226,230.95	255,948,167.45	16.65
4 to 5 years	464,420,149.29	195,892,418.97	42.18
more than 5 years	205,932,845.25	185,339,560.73	90.00
<b>Total</b>	<b>16,366,351,474.13</b>	<b>1,118,372,220.06</b>	

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**4. Accounts Receivable (continued)**

**(2) Disclosure by classification of allowance for impairment method (continued)**

Provision for impairment by portfolio: Power generation business

	Balance per the books	Provision for impairment	Accrual Ratio (%)
Receivables from power generation business	<u>879,231,620.35</u>	<u>23,115,539.71</u>	<u>2.63</u>
Total	<u>879,231,620.35</u>	<u>23,115,539.71</u>	

Accounts receivable from power generation activities comprise amounts due from grid companies, including benchmark electricity tariffs and national subsidy electricity fees. The receivable electricity subsidy is settled in accordance with current government policies and the principal payment practices of the Ministry of Finance. It is collectible only upon the allocation of funds by relevant government authorities to local grid companies; consequently, the settlement period is relatively lengthy. The Group has identified receivables from power generation activities as a portfolio and provides for them based on a comprehensive assessment of the credit risk of debtors.

Provision for impairment calculated on a portfolio basis: Engineering and construction business

	Book balance	Provision for impairment	Accrual Ratio (%)
within 6 months	168,487,703.08	2,089,247.51	1.24
6 months to 1 year	92,343,176.36	3,287,417.08	3.56
1 to 2 years	15,474,385.02	1,807,408.17	11.68
2 to 3 years	4,431,878.00	1,019,331.94	23.00
3 to 4 years	16,670,000.00	9,090,151.00	54.53
4 to 5 years	<u>20,964,778.37</u>	<u>13,962,542.39</u>	<u>66.60</u>
Total	<u>318,371,920.83</u>	<u>31,256,098.09</u>	

**(3) Status of allowance for doubtful accounts**

The movement in the allowance for doubtful accounts receivable is as follows:

	Opening balance	Provision made in the current year	Write-off for the current year	Other	Closing balance
Provision for impairment of trade receivables	<u>1,376,620,364.26</u>	<u>183,560,794.63</u>	<u>(225,471.74)</u>	<u>(194,028.99)</u>	<u>1,559,761,658.16</u>
Total	<u>1,376,620,364.26</u>	<u>183,560,794.63</u>	<u>(225,471.74)</u>	<u>(194,028.99)</u>	<u>1,559,761,658.16</u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**3. Status of allowance for doubtful accounts (continued)**

No significant amounts of trade receivables with impairment provisions were recovered or reversed during the current year.

**(4) Actual write-offs of accounts receivable**

The actual amount written off in the current year was £225,471.74.RMB, no material write-offs of accounts receivable.

**(5) Details of the top five trade receivables and contract assets by debtor as at year-end**

	Accounts Receivable Closing balance	Contract assets Closing balance	Trade receivables and contract assets Balance at year-end	Proportion of the aggregate balance of trade receivables and contract assets at the end of the year (%)	Provision for impairment of trade receivables and provision for impairment of contract assets Closing balance
Unit 6	819,390,057.74	1,316,011,805.73	2,135,401,863.47	6.78	89,306,089.01
Unit 5	1,119,957,939.83	546,255,504.76	1,666,213,444.59	5.29	18,494,969.23
Unit 7	711,599,028.01	490,371,000.00	1,201,970,028.01	3.82	13,341,867.31
Unit 8	253,634,332.60	816,380,360.76	1,070,014,693.36	3.40	101,032,936.96
Unit 9	101,512,024.95	841,373,830.20	942,885,855.15	3.00	25,404,993.50
Total	<u>3,006,093,383.13</u>	<u>4,010,392,501.45</u>	<u>7,016,485,884.58</u>	<u>22.29</u>	<u>247,580,856.01</u>

**5. Receivables designated for financing**

**(1) Classification and presentation of Receivables designated for financing**

	2025	2024
Notes receivable and receivable debt instruments	<u>955,117,792.00</u>	<u>964,286,203.65</u>
Total	<u>955,117,792.00</u>	<u>964,286,203.65</u>

The Group endorses or discounts bank acceptance bills and receivable claim certificates in its daily management. The business model for managing the aforementioned receivable notes and receivable claim certificates is aimed at both collecting contractual cash flows and selling them; accordingly, the receivable bank acceptance bills and receivable claim certificates are classified as financial assets measured at fair value through other comprehensive income and presented as financing receivables.

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**5. Receivables designated for financing (continued)**

**(1) Classification and presentation of Receivables designated for financing**

At 31 December 2025 and 31 December 2024, the Group has no Receivables designated for financing pledged.

**(2) Receivables designated for financing endorsed or discounted by the Company at the end of the period but not yet due as at the balance sheet date**

	Amount derecognised at the end of the period	Amount not derecognised at the end of the period
Notes receivable	2,383,245,914.49	-
Total	<u>2,383,245,914.49</u>	<u>-</u>

Refer to Note X.3 for disclosures regarding the transfer of receivable notes by the Group.

**6. Prepayments**

**(1) Prepayments disclosed by ageing**

	2025		2024	
	book balance	Proportion (%)	Balance per the books	Proportion (%)
Within 1 year	809,617,879.44	92.16	622,159,618.88	85.63
1 to 2 years	39,737,479.65	4.52	79,514,749.50	10.95
2 to 3 years	12,772,536.33	1.45	23,360,165.69	3.22
more than 3 years	16,458,119.06	1.87	1,440,911.28	0.20
Subtotal	<u>878,586,014.48</u>	100.00	<u>726,475,445.35</u>	100.00
Provision for impairment	<u>9,850,479.44</u>		<u>9,850,479.44</u>	
Total	<u>868,735,535.04</u>		<u>716,624,965.91</u>	

As at 31 December 2025, the Group had no prepayments with an ageing of over one year that were material.

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**6. Prepayments (continued)**

**(2) Details of the prepayments to the top five payees as at the end of the year**

	Closing balance	Proportion of the year-end balance of prepayments (%)
Unit 15	103,535,812.61	11.78
Unit 16	82,686,459.47	9.41
Unit 17	50,500,000.00	5.75
Unit 18	49,572,949.60	5.64
Unit 19	42,900,092.92	4.88
Total	<u>329,195,314.60</u>	<u>37.46</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**7. Other receivables**

	2025	2024
Dividends receivable	75,040,000.00	196,912,115.57
Other receivables	<u>1,317,576,660.69</u>	<u>1,009,119,411.01</u>
Total	<u><u>1,392,616,660.69</u></u>	<u><u>1,206,031,526.58</u></u>

**Dividends receivable**

**(1) Classification of Dividends Receivable**

	2025	2024
Shanxian Jieyuan New Energy Co., Ltd.	60,040,000.00	60,040,000.00
Jingbian County Yuneng New Energy Co., Ltd.	15,000,000.00	15,000,000.00
Kailu County Mingyang Smart Energy Co., Ltd.	-	63,306,031.41
Naiman Banner Mingyang Smart Energy Co., Ltd.	<u>-</u>	<u>58,566,084.16</u>
Total	<u><u>75,040,000.00</u></u>	<u><u>196,912,115.57</u></u>

**Other receivables**

**(1) Disclosure by ageing**

	2025	2024
Within one year	685,203,523.48	727,488,799.19
1 to 2 years	451,570,085.50	95,872,384.68
2 to 3 years	61,551,086.54	132,778,202.98
3 to 4 years	108,463,107.24	76,814,507.18
4 to 5 years	59,688,696.11	3,424,751.24
more than 5 years	<u>87,599,687.97</u>	<u>85,104,595.26</u>
	1,454,076,186.84	1,121,483,240.53
Less: Allowance for impairment of other receivables	<u>136,499,526.15</u>	<u>112,363,829.52</u>
Total	<u><u>1,317,576,660.69</u></u>	<u><u>1,009,119,411.01</u></u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to the Consolidated Financial Statements (continued)**

**7. Other receivables (continued)**

**(2) Classification by nature of the item**

	2025	2024
Receivables and Payables	392,536,939.56	286,362,318.62
Margin deposits, security deposits and imprest funds	619,089,721.76	294,086,067.16
Consideration for the transfer of equity interests	409,881,726.47	512,807,210.53
Other	<u>32,567,799.05</u>	<u>28,227,644.22</u>
Total	<u><u>1,454,076,186.84</u></u>	<u><u>1,121,483,240.53</u></u>

**(3) Expected credit losses**

**2025**

	Balance per the books		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment of receivables made on an individual basis	116,450,934.78	8.01	84,071,209.82	72.19	32,379,724.96
Provision for bad debts is accrued based on portfolios with similar credit risk characteristics.	<u>1,337,625,252.06</u>	<u>91.99</u>	<u>52,428,316.33</u>	<u>3.92</u>	<u>1,285,196,935.73</u>
Total	<u><u>1,454,076,186.84</u></u>	<u><u>100.00</u></u>	<u><u>136,499,526.15</u></u>	<u><u>9.39</u></u>	<u><u>1,317,576,660.69</u></u>

**2024**

	Balance per the books		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment of receivables made on an individual basis	101,046,030.17	9.01	68,666,305.21	67.96	32,379,724.96
Provision for bad debts is accrued based on portfolios with similar credit risk characteristics.	<u>1,020,437,210.36</u>	<u>90.99</u>	<u>43,697,524.31</u>	<u>4.28</u>	<u>976,739,686.05</u>
Total	<u><u>1,121,483,240.53</u></u>	<u><u>100.00</u></u>	<u><u>112,363,829.52</u></u>	<u><u>10.02</u></u>	<u><u>1,009,119,411.01</u></u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**7. Other receivables (continued)**

**Other Receivables (continued)**

**(3) Expected credit losses (continued)**

The status of other receivables with bad debt provisions accrued on an individual basis is as follows:

	2025			2024	
	Carrying balance	Provision for bad debts	Accrual Ratio (%)	Balance per the books	Provision for bad debts
He Zhiyong Beijing Jingye Bearing Co., Ltd. A1	57,996,199.79	25,616,474.83	44.17	57,996,199.79	25,616,474.83
Development EOOD	16,243,486.58	16,243,486.58	100.00	-	-
Fujian Huaqing New Energy Co., Ltd.	14,678,427.55	14,678,427.55	100.00	15,916,209.52	15,916,209.52
Other	10,000,000.00	10,000,000.00	100.00	10,000,000.00	10,000,000.00
	<u>17,532,820.86</u>	<u>17,532,820.86</u>	<u>100.00</u>	<u>17,133,620.86</u>	<u>17,133,620.86</u>
Total	<u>116,450,934.78</u>	<u>84,071,209.82</u>	<u>72.19</u>	<u>101,046,030.17</u>	<u>68,666,305.21</u>

At 31 December 2025, The status of other receivables with bad debt provisions calculated on a combined basis is as follows:

	Carrying balance	Provision for impairment	Accrual Ratio (%)
Receivables and Payables	288,183,404.16	22,981,446.30	7.97
Margin deposits and petty cash	618,690,521.76	12,383,550.75	2.00
Consideration for the transfer of equity interests	409,881,726.47	16,395,269.06	4.00
Other	<u>20,869,599.67</u>	<u>668,050.22</u>	<u>3.20</u>
Total	<u>1,337,625,252.06</u>	<u>52,428,316.33</u>	<u>3.92</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**7. Other receivables (continued)**

**Other Receivables (continued)**

**(3) Provision for Bad Debts (continued)**

The movement in the allowance for impairment losses on other receivables recognised based on expected credit losses over the next 12 months and over their entire life is as follows:

	Phase I	Phase II	Phase III	Total
	Expected credit losses over the next 12 months	Expected credit losses over the entire life (where no credit impairment has occurred)	Expected credit losses over the entire life (credit-impaired)	
Opening balance	40,679,964.05	3,017,560.26	68,666,305.21	112,363,829.52
The opening balance was converted during the current phase transition.	(2,249,640.63)	1,689,577.44	560,063.19	-
Provision made this year	512,711.25	9,480,211.35	16,082,623.39	26,075,545.99
Reversal in the current year	-	-	(1,237,781.97)	(1,237,781.97)
Write-off for the current year	-	(152,791.57)	-	(152,791.57)
Other movements	-	(549,275.82)	-	(549,275.82)
Closing balance	<u>38,943,034.67</u>	<u>13,485,281.66</u>	<u>84,071,209.82</u>	<u>136,499,526.15</u>

**(4) Status of allowance for doubtful accounts**

The movement in the allowance for impairment losses on other receivables is as follows:

	Opening balance	Accrual for the current year	Recovered or reversed in the current year	Write-off for the current year	Other	Closing balance
Provision for impairment of other receivables	<u>112,363,829.52</u>	<u>26,075,545.99</u>	<u>(1,237,781.97)</u>	<u>(152,791.57)</u>	<u>(549,275.82)</u>	<u>136,499,526.15</u>
Total	<u>112,363,829.52</u>	<u>26,075,545.99</u>	<u>(1,237,781.97)</u>	<u>(152,791.57)</u>	<u>(549,275.82)</u>	<u>136,499,526.15</u>

No significant amounts of other receivables were recovered or reversed in relation to impairment provisions this year.

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**7. Other receivables (continued)**

**Other Receivables (continued)**

The actual amount written off in the current year was RMB152,791.57, no write-off of other receivables was identified as material.

**(5) The amounts of other receivables at the end of the year aggregated by debtor, representing the top five**

	Year-end balance	Proportion of the total balance of other receivables (%)	Nature	Aging	Balance of provision for bad debts at year-end
China General Nuclear Wind Power Co., Ltd.	207,890,000.00	14.30	Consideration for the transfer of equity interests	1-2 years	8,315,600.00
Yangjiang Municipal Finance Bureau	200,000,000.00	13.75	Margin	Within 1 year	1,400,000.00
Xilin Gol League Hengyang New Energy Co., Ltd.	126,379,088.25	8.69	Receivables and Payables	Within 1 year	6,470,609.32
Qinzhou Industry-City Energy Development Co., Ltd.	90,000,000.00	6.19	Deposits and Guarantees	1-2 years	2,772,000.00
Hunan Guohe New Energy Co., Ltd.	67,261,756.12	4.63	Consideration for the transfer of equity interests	3-4 years	2,690,470.24
Total	<u>691,530,844.37</u>	<u>47.56</u>			<u>21,648,679.56</u>

**(6) Amounts presented as other receivables arising from centralised fund management**

As at 31 December 2025, the Group had no receivables under centralised fund management arrangements.

**8. Inventories**

**(1) Classification of Inventories**

	2025			2024r		
	Carrying balance	Provision for decline in value / Provision for impairment	Carrying amount	Balance per the books	Provision for decline in value / Provision for impairment	Carrying amount
Raw materials	2,974,843,221.21	49,494,593.04	2,925,348,628.17	2,463,910,163.26	43,503,055.14	2,420,407,108.12
In products	833,315,867.79	2,220,944.37	831,094,923.42	356,387,449.22	2,914,218.57	353,473,230.65
semi-finished goods	40,846,523.72	131,585.48	40,714,938.24	34,174,629.21	131,585.48	34,043,043.73
Finished goods	2,437,315,133.26	72,996,887.85	2,364,318,245.41	2,067,416,031.39	79,465,426.59	1,987,950,604.80
Goods dispatched	5,798,746,867.35	65,436,515.74	5,733,310,351.61	3,871,499,397.62	79,073,114.56	3,792,426,283.06
Turnover materials	19,882,272.57	-	19,882,272.57	14,401,850.99	-	14,401,850.99
Costs of fulfilling a contract	205,926,300.74	-	205,926,300.74	74,740,376.69	-	74,740,376.69
Goods processed on behalf of others	-	-	-	66,324.06	-	66,324.06
Cost of development power station product	6,101,294,395.13	-	6,101,294,395.13	4,860,023,293.63	-	4,860,023,293.63
Total	<u>18,412,170,581.77</u>	<u>190,280,526.48</u>	<u>18,221,890,055.29</u>	<u>13,742,619,516.07</u>	<u>205,087,400.34</u>	<u>13,537,532,115.73</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**8. Inventories (continued)**

**(2) Provision for inventory impairment**

	Opening balance	Accrual for the current year	Decrease for the year		Closing balance
			Reversal or write-off	Other	
Raw materials	43,503,055.14	6,439,575.23	(448,037.33)	-	49,494,593.04
In products	2,914,218.57	2,220,944.37	(2,914,218.57)	-	2,220,944.37
semi-finished goods	131,585.48	-	-	-	131,585.48
Finished goods	79,465,426.59	86,603,653.54	(93,072,192.28)	-	72,996,887.85
Goods dispatched	<u>79,073,114.56</u>	<u>53,315,411.48</u>	<u>(66,952,010.30)</u>	-	<u>65,436,515.74</u>
Total	<u>205,087,400.34</u>	<u>148,579,584.62</u>	<u>(163,386,458.48)</u>	-	<u>190,280,526.48</u>

The basis and reasons for the accrual, reversal or write-off of inventory provision for decline in value are as follows:

	The specific basis for determining the net realisable value/residual consideration and the costs to be incurred	The reasons for the reversal or write-off of the inventory provision for impairment in the current period
Raw materials	Note 1	Production of finished goods and their subsequent sale to external parties.
In products	Note 1	Production of finished goods and their subsequent sale to external parties.
Finished goods	Note 2	Sold externally
Goods dispatched	Note 2	Sold externally

Note 1: In the production and operation process, this amount is calculated as the contract selling price of finished goods produced less the estimated costs to complete, estimated selling expenses, and related taxes and levies.

Note 2: The amount calculated by deducting estimated selling expenses and relevant taxes from the contract selling price of inventories.

**(3) Amortisation of costs to fulfil contracts**

The amortisation amount recognised for contract fulfilment costs in the current year is RMB 494,845,557.95. At the end of the year, the carrying amount is presented in inventory according to liquidity.

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**9. Contract assets**

**(1) Status of Contract Assets**

	2025			2024		
	Balance per the books	Provision for impairment	Carrying amount	Balance per the books	Provision for impairment	Carrying amount
High-end manufacturing business	12,896,593,633.56	147,777,056.85	12,748,816,576.71	8,998,670,504.58	22,865,622.61	8,975,804,881.97
Engineering construction business	187,039,876.45	374,079.75	186,665,796.70	59,488,116.43	1,633,481.64	57,854,634.79
Subtotal	13,083,633,510.01	148,151,136.60	12,935,482,373.41	9,058,158,621.01	24,499,104.25	9,033,659,516.76
Less: Contract assets presented within other non-current assets	9,889,663,438.26	109,358,254.60	9,780,305,183.66	8,393,112,458.90	22,395,386.52	8,370,717,072.38
Total	3,193,970,071.75	38,792,882.00	3,155,177,189.75	665,046,162.11	2,103,717.73	662,942,444.38

**(2) Significant changes in the carrying amount of contract assets**

As at 31 December 2025, the significant movement in the carrying amount of contract assets was primarily attributable to an increase in contract assets arising from the execution of contracts and their transfer to trade receivables upon fulfilment of contractual obligations.

**(3) Disclosure by classification of the method for provision for impairment of contract assets**

2025

	Balance per the books		Provision for impairment		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment made on an individual basis	26,748,800.00	0.20	4,921,779.20	18.40	21,827,020.80
Less: Contract assets presented within other non-current assets	-	-	-	-	-
Provision for impairment is made based on portfolios with similar credit risk characteristics.	13,056,884,710.01	99.80	143,229,357.40	1.11	12,913,655,352.61
Less: Contract assets presented under other non-current assets	9,889,663,438.26	100.00	109,358,254.60	1.11	9,780,305,183.66
Total	3,193,970,071.75	100.00	38,792,882.00	1.21	3,155,177,189.75

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**9. Contract assets (continued)**

**(3) Disclosure by classification of the method for provision for impairment of contract assets (continued)**

2024

	Balance per the books		Provision for impairment		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment made on an individual basis	-	-	-	-	-
Less: Contract assets presented under other non-current assets	-	-	-	-	-
Provision for impairment is made based on portfolios with similar credit risk characteristics.	9,058,158,621.01	100.00	24,499,104.25	0.27	9,033,659,516.76
Less: Contract assets presented under other non-current assets	8,393,112,458.90	100.00	22,395,386.52	0.27	8,370,717,072.38
<b>Total</b>	<b>665,046,162.11</b>	<b>100.00</b>	<b>2,103,717.73</b>	<b>0.32</b>	<b>662,942,444.38</b>

The status of contract assets with impairment provisions calculated on an individual basis is as follows:

	2025			Reason for accrual	2024	
	Carrying balance	Provision for impairment	Accrual Ratio (%)		Carrying balance	Provision for impairment
Provision for impairment of contract assets is made on an individual basis.	26,748,800.00	4,921,779.20	18.40	Litigation	-	-
<b>Total</b>	<b>26,748,800.00</b>	<b>4,921,779.20</b>			<b>-</b>	<b>-</b>

At 31 December 2025, The status of contract assets with impairment provisions calculated on a combined basis is as follows:

	Carrying balance	Provision for impairment	Accrual Ratio (%)
High-end manufacturing business	3,026,006,621.95	33,588,673.50	1.11
Engineering construction business	141,214,649.80	282,429.30	0.20
<b>Total</b>	<b>3,167,221,271.75</b>	<b>33,871,102.80</b>	

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**9. Contract assets (continued)**

**(3) Disclosure by classification of the method for provision for impairment of contract assets (continued)**

Disclosure of impairment provisions calculated on a portfolio basis by ageing: Premium Business

	Carrying balance	Provision for impairment	Accrual Ratio (%)
Within 1 year	<u>3,026,006,621.95</u>	<u>33,588,673.50</u>	<u>1.11</u>
Total	<u>3,026,006,621.95</u>	<u>33,588,673.50</u>	

Disclosure of impairment provisions calculated on a portfolio basis by ageing: Engineering and construction business

	Balance per the books	Provision for impairment	Accrual Ratio (%)
Within 1 year	91,113,562.96	182,227.13	0.20
1 to 2 years	36,262,895.31	72,525.79	0.20
2 to 3 years	<u>13,838,191.53</u>	<u>27,676.38</u>	<u>0.20</u>
Total	<u>141,214,649.80</u>	<u>282,429.30</u>	

**(4) Status of impairment provisions for contract assets**

	Opening balance	Provision made this year	Reversal in the current year	Closing balance
High-end manufacturing business	1,241,986.09	37,268,466.61	-	38,510,452.70
Engineering construction business	<u>861,731.64</u>	<u>-</u>	<u>(579,302.34)</u>	<u>282,429.30</u>
Total	<u>2,103,717.73</u>	<u>37,268,466.61</u>	<u>(579,302.34)</u>	<u>38,792,882.00</u>

**(4) Status of impairment provision for contract assets (continued)**

No significant amounts of impairment provisions for contract assets were recovered or reversed during the current year, and no contract assets were written off.

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**10. Non-current assets due within one year**

	2025	2024
Long-term receivables due within one year	115,321,050.26	-
Large-denomination certificates of deposit maturing within one year	<u>1,389,829,582.96</u>	<u>1,982,432,437.08</u>
<b>Total</b>	<b><u>1,505,150,633.22</u></b>	<b><u>1,982,432,437.08</u></b>

**11. Other current assets**

	2025	2024
Input VAT deductible in future periods	2,233,014,251.03	2,006,899,295.36
Outstanding debts of disposed subsidiaries	570,092,185.96	91,223,374.33
Commercial acceptance bills endorsed but not derecognised	-	52,745,587.27
Input VAT awaiting certification	339,019,960.91	35,767,213.63
Prepaid income tax	68,299,523.94	1,824,780.87
Prepayment of other taxes and surcharges	<u>371,657.32</u>	<u>840,000.00</u>
<b>Total</b>	<b><u>3,210,797,579.16</u></b>	<b><u>2,189,300,251.46</u></b>

As at 31 December 2025, the Company's gross amount due from disposed subsidiaries amounted to RMB 602,376,355.35, with an allowance for bad debts of RMB 32,284,169.39 (as at 31 December 2024: gross amount RMB 96,553,166.25, allowance for bad debts RMB 5,329,791.92). The annual interest rate on such amounts ranged from 0% to 3%.

**12. Long-term receivables**

**(1) Status of Long-term Receivables**

	2025			2024			Discount rate range
	Carrying balance	Provision for bad debts	Carrying amount	Balance per the books	Provision for bad debts	Carrying amount	
Equity							
Repurchase Payment	214,763,428.28	-	214,763,428.28	-	-	-	2.8%
Less:							
Unearned financing income	5,929,951.53	-	5,929,951.53	-	-	-	
Security deposit for financial lease	10,000,000.00	-	10,000,000.00	10,000,000.00	-	10,000,000.00	
Subtotal	218,833,476.75	-	218,833,476.75	10,000,000.00	-	10,000,000.00	
Less: Long-term receivables due within one year	<u>115,321,050.26</u>	<u>-</u>	<u>115,321,050.26</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Total</b>	<b><u>103,512,426.49</u></b>	<b><u>-</u></b>	<b><u>103,512,426.49</u></b>	<b><u>10,000,000.00</u></b>	<b><u>-</u></b>	<b><u>10,000,000.00</u></b>	

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**13. Long-term equity investments**

**(1) Status of long-term equity investments**

	Beginning of the year	Beginning of the year	Movements for the current year					year-end	year-end
	Carrying amount	Provision for impairment	Additional investment	Reduction of investment	Investment income or loss under the equity method	Declaration of cash dividends	Other	Carrying amount	Provision for impairment
Joint venture									
MWEP Renewables International Ltd	-	-	-	-	-	-	-	-	-
MW Wind Power 000	-	-	-	-	-	-	-	-	-
Mingyang International Energy Technology Co., Ltd. (Note 1)	6,000,000.00	6,000,000.00	-	-	-	-	-	-	-
Subtotal	6,000,000.00	6,000,000.00	-	-	-	-	-	-	-
Associate									
Huaneng Mingyang New Energy Investment Co., Ltd.	3,327,573.18	-	-	-	50,695.59	-	-	3,378,268.77	-
Guangdong Yuecai Financial Leasing Co., Ltd.	439,621,649.49	-	-	-	7,002,022.21	-	-	446,623,671.70	-
Geermu Mingyang New Energy Power Generation Co., Ltd.	33,846,380.38	-	-	-	2,117,986.97	-	-	35,964,367.35	-
Panzhuhua City Renhe Jieyuan New Energy Co., Ltd.	2,437,535.47	-	-	-	58,264.30	-	-	2,495,799.77	-
Inner Mongolia Mingyang Northern Smart Energy Research Institute	60,678.13	-	-	-	(820.76)	-	-	59,857.37	-
Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd. (Note 2)	8,043,192.69	-	-	-	(253,672.88)	-	(7,789,519.81)	-	-
Chengde County Shantai Jieyuan Steel Structure Co., Ltd. (Note 2)	18,866,128.76	-	-	-	(5,295,029.94)	-	(13,571,098.82)	-	-
Three Gorges New Energy (Phoenix) Power Generation Co., Ltd.	45,600,000.00	-	-	-	-	-	-	45,600,000.00	-
GCPIC Investors Limited	5,405,420.17	-	1,985,650.43	-	(2,438,541.47)	-	-	4,952,529.13	-
CITIC Construction & Investment Mingyang New Energy REITs Fund	247,342,004.02	-	-	-	10,664,077.06	(32,020,147.26)	-	225,985,933.82	-
Shuimu Mingtuo (Dabao) Energy Management Co., Ltd.	212,597.30	-	-	(212,597.30)	-	-	-	-	-
CNOOC (Dongfang) Energy Co., Ltd.	-	-	450,000,000.00	-	38,812.62	-	-	450,038,812.62	-
Guangxi Laibin Huadian Mingyang Wind Power Generation Co., Ltd.	-	-	1,470,000.00	-	-	-	-	1,470,000.00	-
Subtotal	804,763,159.59	-	453,455,650.43	(212,597.30)	11,943,793.70	(32,020,147.26)	(21,360,618.63)	1,216,569,240.53	-
Total	810,763,159.59	6,000,000.00	453,455,650.43	(212,597.30)	11,943,793.70	(32,020,147.26)	(21,360,618.63)	1,216,569,240.53	-

**Mingyang Smart Energy Group Co., Ltd.**  
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Note 1: Mingyang International Energy Technology Co., Ltd. was deregistered as at the end of 2025.

Note 2: In 2025, the Group acquired equity interests in Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd. and Chengde County Shantai Jieyuan Steel Structure Co., Ltd. from other shareholders and obtained control thereof; see Note VII, 1

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**14. Other equity instruments investments**

**(1) Status of other equity instrument investments**

	Opening balance	Additional investment	Reduction of investment	Gains recognised in other comprehensive income for the year	Losses recognised in other comprehensive income for the year	Gains accumulated in other comprehensive income	Accumulated losses recognised in other comprehensive income	Dividend income for the current year	Closing balance	The reasons for designating them as financial assets measured at fair value through other comprehensive income
Southern Offshore Wind Power Joint Development Co., Ltd.	70,000,000.00	-	(70,000,000.00)	-	-	-	-	-	-	Investments intended to be held for the long term for strategic purposes
Hainan Prefecture Jinyuan Qieji Wind Power Co., Ltd.	10,862,670.95	-	-	-	(1,580,830.52)	1,581,840.43	-	1,969,481.50	9,281,840.43	Investments intended to be held for the long term for strategic purposes
Guangxi Guangtou Beibu Gulf Offshore Wind Power Co., Ltd.	37,364,051.32	8,889,900.00	-	2,964,750.63	-	5,228,801.95	-	1,378,690.06	49,218,701.95	Investments intended to be held for the long term for strategic purposes
East Inner Mongolia Electric Power Trading Center Co., Ltd.	5,432,895.36	-	-	27,807.31	-	17,132.67	-	-	5,460,702.67	Investments held for the long term for strategic purposes
China Resources New Energy (Yangjiang Yangdong) Limited	3,191,500.00	-	-	26,179.21	-	26,179.21	-	-	3,217,679.21	Investments intended to be held for the long term for strategic purposes
Guohua (Shanwei) Wind Power Co., Ltd.	2,680,786.90	-	-	583,582.72	-	-	(1,267,130.38)	-	3,264,369.62	Investments held for the long term for strategic purposes
Mengxi New Energy Development (Baotou) Co., Ltd.	1,000,000.00	-	-	2,821.14	-	2,821.14	-	-	1,002,821.14	Investments intended to be held for the long term for strategic purposes
China Resources Wind Power (Shanwei) Co., Ltd.	833,100.00	147,000.00	-	123.82	-	123.82	-	-	980,223.82	Investments held for the long term for strategic purposes
Datang Baoshan New Energy Co., Ltd.	338,000.00	-	-	171,449.07	-	171,449.07	-	-	509,449.07	Investments held for the long term for strategic purposes
Sichuan Xingong Green Hydrogen Technology Co., Ltd.	-	4,000,000.00	-	-	(41,575.22)	-	(41,575.22)	-	3,958,424.78	Investments held for the long term for strategic purposes

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**14. Other equity instruments investments(continued)**

**(1) Status of other equity instrument investments (continued)**

	Opening balance	Additional investment	Reduction of investment	Gains recognised in other comprehensive income for the year	Losses recognised in other comprehensive income for the year	Gains accumulated in other comprehensive income	Accumulated losses recognised in other comprehensive income	Dividend income for the current year	Closing balance	The reasons for designating them as financial assets measured at fair value through other comprehensive income
Inner Mongolia Huadian Huayang Hydrogen Energy Technology Co., Ltd.	-	5,510,204.08	-	-	-	-	-	-	5,510,204.08	Investments intended to be held for the long term for strategic purposes
Shanwei Huadian Energy Co., Ltd.	260,000.00	240,000.00	-	-	-	-	-	-	500,000.00	Investments intended to be held for the long term for strategic purposes
<b>Total</b>	<b>131,963,004.53</b>	<b>18,787,104.08</b>	<b>(70,000,000.00)</b>	<b>3,776,713.90</b>	<b>(1,622,405.74)</b>	<b>7,028,348.29</b>	<b>(1,308,705.60)</b>	<b>3,348,171.56</b>	<b>82,904,416.77</b>	

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**14. Other equity instruments investments(continued)**

**(2) Circumstances for derecognition of other equity instrument investments**

	Fair value at derecognition	Cumulative gains transferred to retained earnings upon derecognition	Cumulative losses transferred to retained earnings upon derecognition	Reasons for derecognition
Southern Offshore Wind Power Joint Development Co., Ltd.	70,000,000.00	-	-	Disposal
Total	<u>70,000,000.00</u>	<u>-</u>	<u>-</u>	

**15. Other non-current financial assets**

	2025	2024
Financial assets measured at fair value through profit or loss		
Equity of a listed company	291,445,200.59	241,163,259.26
Equity of a non-listed company	<u>209,650,177.56</u>	<u>374,377,331.40</u>
	<u>501,095,378.15</u>	<u>615,540,590.66</u>

**16. Investment Property**

**(1) Investment properties measured using the cost model**

	Houses and Buildings
Original Price	
Opening balance	44,668,252.79
Transferred to fixed assets	<u>(2,924,258.06)</u>
Closing balance	<u>41,743,994.73</u>
Accumulated depreciation and amortisation	
Opening balance	1,762,218.58
Accrual or amortisation	<u>1,795,106.35</u>
Closing balance	<u>3,557,324.93</u>
Provision for impairment	
Balances at the beginning and end of the year	<u>-</u>
Carrying amount	
year-end	<u>38,186,669.80</u>
Beginning of the year	<u>42,906,034.21</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**17. Fixed Assets**

	2025	2024
Fixed Assets	<u>17,159,690,346.86</u>	<u>14,437,903,663.54</u>

**(1) Status of Fixed Assets**

	Houses and Buildings	Machinery and equipment	Transport equipment	Electronic equipment and others	Total
Original Value					
Opening balance	6,140,140,608.06	11,594,684,932.18	341,447,611.60	172,490,157.54	18,248,763,309.38
Acquisition	120,044,610.49	1,016,647,915.55	15,310,803.25	34,823,283.82	1,186,826,613.11
Transfer of construction in progress	735,353,435.19	2,982,115,861.49	2,732,035.39	1,217,699.12	3,721,419,031.19
Increase in business combinations	65,672,794.49	23,120,948.98	1,159,016.81	559,267.90	90,512,028.18
Transfer of investment properties	2,924,258.06	-	-	-	2,924,258.06
Disposal or write-off	(19,704,307.93)	(396,622,930.91)	(3,811,402.75)	(7,333,864.87)	(427,472,506.46)
Disposal of subsidiaries	-	(726,406,476.40)	-	-	(726,406,476.40)
Other reductions	(135,631,629.89)	(81,428,767.83)	-	-	(217,060,397.72)
Exchange differences arising on the translation of foreign currency financial statements	-	-	-	(7,689.27)	(7,689.27)
Year-end balance	<u>6,908,799,768.47</u>	<u>14,412,111,483.06</u>	<u>356,838,064.30</u>	<u>201,748,854.24</u>	<u>21,879,498,170.07</u>
Accumulated Depreciation					
Opening balance	978,539,254.50	2,486,919,218.60	131,780,134.00	104,545,696.84	3,701,784,303.94
Accrual	333,509,113.50	993,903,792.57	33,143,900.87	15,301,444.07	1,375,858,251.01
Disposal or write-off	(1,537,719.76)	(226,643,063.37)	(2,294,385.88)	(5,260,686.05)	(235,735,855.06)
Disposal of subsidiaries during the current year	-	(136,655,945.36)	-	-	(136,655,945.36)
Other reductions	(30,397,415.70)	(4,564,104.54)	-	-	(34,961,520.24)
Exchange differences arising on the translation of foreign currency financial statements	-	-	-	(3,218.45)	(3,218.45)
Closing balance	<u>1,280,113,232.54</u>	<u>3,112,959,897.90</u>	<u>162,629,648.99</u>	<u>114,583,236.41</u>	<u>4,670,286,015.84</u>
Provision for impairment					
Opening balance	-	108,474,020.41	21,590.33	579,731.16	109,075,341.90
Disposal or write-off	-	(59,149,370.68)	(3,105.34)	(401,058.51)	(59,553,534.53)
Closing balance	<u>-</u>	<u>49,324,649.73</u>	<u>18,484.99</u>	<u>178,672.65</u>	<u>49,521,807.37</u>
Carrying amount year-end	<u>5,628,686,535.93</u>	<u>11,249,826,935.43</u>	<u>194,189,930.32</u>	<u>86,986,945.18</u>	<u>17,159,690,346.86</u>
Beginning of the year	<u>5,161,601,353.56</u>	<u>8,999,291,693.17</u>	<u>209,645,887.27</u>	<u>67,364,729.54</u>	<u>14,437,903,663.54</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**17. Fixed Assets (continued)**

**(2) Status of Fixed Assets Temporarily Idle**

	Original Price	Accumulated Depreciation	Provision for impairment	Carrying amount
Electronic equipment and others	59,417.46	53,292.28	-	6,125.18
Machinery and equipment	20,623,887.93	10,545,629.24	6,257,018.12	3,821,240.57
Transport equipment	<u>387,350.44</u>	<u>367,982.92</u>	<u>-</u>	<u>19,367.52</u>
Total	<u>21,070,655.83</u>	<u>10,966,904.44</u>	<u>6,257,018.12</u>	<u>3,846,733.27</u>

**(3) Fixed assets held for operating lease**

	Houses and Buildings	Production equipment	Total
Carrying amount end of the year	<u>100,500,869.31</u>	<u>129,114.18</u>	<u>100,629,983.49</u>
the beginning of the year	<u>113,976,862.99</u>	<u>11,010,777.47</u>	<u>124,987,640.46</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**17. Fixed Assets (continued)**

**(4) Fixed assets for which title deeds have not been obtained**

	Carrying amount	Reasons for failure to complete title certification
Mingyang Northern 5-10MW Ultra-Large Onshore Wind Turbine Base Construction Project	61,516,016.26	Still in progress
Guangdong Mingyang Industrial Park Comprehensive Building	4,737,490.74	Still in progress
Mingyang Smart Energy Group Southern Region Enterprise Headquarters Project	508,046,326.26	Still in progress
Jieyuan Dingbian Photovoltaic Power Station Step-up Substation and Comprehensive Building	2,869,377.11	Still in progress
Shaanxi Yulin Jingbian Ningtiaoliang Phase I Wind Power Project Step-up Station and Production Comprehensive Building	1,354,210.63	Still in progress
Hongrun Huanghua Comprehensive Building and Dormitory Building	4,145,764.29	Still in progress
Midu Changpoling Photovoltaic Power Station Construction Project of Xinjiang Mingyang Turpan New Energy Industrial Cluster Base	5,301,951.96	Still in progress
Lhasa Ruide Xinyang Dormitory Building and Comprehensive Building	279,737,430.43	Still in process
Gushi Wumiao 100MW Wind Power Project Comprehensive Building	28,261,005.65	Still in progress
Jieyang Yangyang Offshore Wind Power Industrial Park Project	5,766,028.79	Still in progress
Xinjiang Wanbang PV Power Station Step-up Substation and Comprehensive Building	48,883,397.11	Still in progress
Xinjiang Huaran Substation and Comprehensive Building	3,612,854.68	Still in progress
Shanwei Mingyang Factory Site Transfer Yard, Pipeline Network, and Office Building	3,475,678.83	Still in progress
Beijing Centre Office and Above-Ground Commercial Premises	49,795,273.94	Still in progress
Gansu Jiuquan Green Energy Equipment Manufacturing Industrial Park Project	243,927,484.11	Still in progress
Yancheng Heterojunction Battery Plant and Ancillary Works	3,475,678.83	Still in progress
Zhangjiakou Mingyang Complete Machine and Blade Plant Project	49,795,273.94	Still in progress
Fujian Final Assembly Plant	130,209,479.89	Still in progress
Guizhou factory building, office building, canteen and dormitory	200,177,492.38	Still in progress
Real Estate of Qingzhou Four Centralized Control Center	236,861,858.42	Still in progress
Fangchenggang Base Final Assembly Plant	65,601,728.86	Still in progress
	42,696,995.69	Still in progress
	29,939,896.14	Still in progress
	47,886,850.60	Still in progress

**18. Construction in Progress**

	2025	2024
Construction in Progress	3,052,861,990.70	4,832,022,233.62
Engineering Materials	92,400,261.24	156,618,587.64
Total	<u>3,145,262,251.94</u>	<u>4,988,640,821.26</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**18. Construction in Progress (continued)**

**Construction in Progress**

**(1) Status of Construction in Progress**

	2025			2024		
	Carrying amount	Provision for impairment	Carrying amount	Carrying amount	Provision for impairment	Carrying amount
Zhanjiang Xuwen Dongsan Offshore Wind Power Demonstration Project	614,124,069.88	-	614,124,069.88	109,485,267.18	-	109,485,267.18
Mingyang Smart Energy Group Southern Region Enterprise Headquarters Project	436,661,715.48	-	436,661,715.48	542,150,716.94	-	542,150,716.94
Mingyang Yangjiang Qingzhou IV Offshore Wind Farm Project and Mingyang Yangjiang 16.6MW Floating Offshore Wind Demonstration Project	361,109,882.78	-	361,109,882.78	3,062,699,989.80	-	3,062,699,989.80
Mingyang Hainan Marine Energy Research and International Business Headquarters Project	257,071,307.55	-	257,071,307.55	227,470,615.11	-	227,470,615.11
Mingyang (Lingao) Large-scale Offshore Wind Turbine Testing and Trial Base Project	242,934,059.58	-	242,934,059.58	138,919,985.24	-	138,919,985.24
Ordos Gushan Liang Mingyang Intelligent 100MW/400MWh Grid-Side Energy Storage Power Station Demonstration Project	238,813,921.62	-	238,813,921.62	5,289,225.18	-	5,289,225.18
Xinjiang Mingyang New Energy Industrial Cluster Base Construction Project	164,894,017.27	-	164,894,017.27	-	-	-
Jiaxian Tangjie 50MW Wind Power Project	85,795,489.13	-	85,795,489.13	74,631,167.13	-	74,631,167.13
Inner Mongolia 5-10MW New Energy Ultra-Large Onshore Wind Turbine Complete Machine and Key Core Components High-End Intelligent Manufacturing Project	17,553,633.59	-	17,553,633.59	47,339,747.84	-	47,339,747.84
Phase II of the Mingyang (Lingao) Large-scale Offshore Wind Turbine Testing and Trial Base Project	12,712,544.89	-	12,712,544.89	3,187,147.42	-	3,187,147.42
Longsheng Huajieshan Phase II Project	6,155,614.67	-	6,155,614.67	-	-	-
Daqing Mingyang Base Factory Construction Project	3,933,254.20	-	3,933,254.20	6,520,350.89	-	6,520,350.89
Mingyang Zhongning Smart Energy Industrial Park Project	-	-	-	2,718,072.70	-	2,718,072.70
Other items	661,429,316.05	50,326,835.99	611,102,480.06	646,410,619.14	34,800,670.95	611,609,948.19
<b>Total</b>	<b>3,103,188,826.69</b>	<b>50,326,835.99</b>	<b>3,052,861,990.70</b>	<b>4,866,822,904.57</b>	<b>34,800,670.95</b>	<b>4,832,022,233.62</b>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**18. Construction in Progress (continued)**

**Construction in Progress (continued)**

**(2) Significant movements in construction in progress**

	Budget	Opening balance	Additions for the current year	Transferred to fixed assets in the current year	Other reductions	Closing balance	Sources of Funding	Proportion of Engineering Expenditure to Budget (%)
Zhanjiang Xuwen Dongsan Offshore Wind Power Demonstration Project	6,356,340,300.00	109,485,267.18	504,638,802.70	-	-	614,124,069.88	Self-raised funds	9.95%
Mingyang Smart Energy Group Southern Region Enterprise Headquarters Project	1,578,300,000.00	542,150,716.94	106,308,904.08	211,797,905.54	-	436,661,715.48	Self-raised funds and loans from financial institutions	87.02%
Mingyang Yangjiang Qingzhou IV Offshore Wind Farm Project and Mingyang Yangjiang 16.6MW Floating Offshore Wind Demonstration Project	8,461,975,200.00	3,062,699,989.80	53,773,982.62	2,755,364,089.64	-	361,109,882.78	Self-raised funds and loans from financial institutions	92.35%
Mingyang Hainan Marine Energy Research and International Business Headquarters Project	350,000,000.00	227,470,615.11	29,600,692.44	-	-	257,071,307.55	Self-raised funds and loans from financial institutions	74.10%
Mingyang (Lingao) Large-scale Offshore Wind Turbine Testing and Trial Base Project	321,950,900.00	138,919,985.24	143,254,906.94	-	39,240,832.60	242,934,059.58	Self-raised funds and loans from financial institutions	87.47%
Ordos Gushan Liang Mingyang Intelligent 100MW/400MWh Grid-Side Energy Storage Power Station Demonstration Project	353,075,300.00	5,289,225.18	233,524,696.44	-	-	238,813,921.62	Self-raised funds and loans from financial institutions	89.00%
Construction Project of Xinjiang Mingyang New Energy Industrial Cluster Base	870,161,300.00	-	475,443,934.30	310,549,917.03	-	164,894,017.27	Self-raised funds and loans from financial institutions	54.82%
Jiaxian Tangjie 50MW Wind Power Project	325,780,000.00	74,631,167.13	11,164,322.00	-	-	85,795,489.13	Self-raised funds by the enterprise	26.37%
Inner Mongolia 5-10MW New Energy Ultra-Large Onshore Wind Turbine Complete Machine and Key Core Components High-End Intelligent Manufacturing Project	637,476,800.00	47,339,747.84	17,640,558.23	47,426,672.48	-	17,553,633.59	Self-raised funds and loans from financial institutions	85.13%
Phase II of the Mingyang (Lingao) Large-scale Offshore Wind Turbine Testing and Trial Base Project	627,515,600.00	3,187,147.42	9,525,397.47	-	-	12,712,544.89	Self-raised funds by the enterprise	2.03%
Longsheng Huajieshan Phase II Project	331,915,200.00	-	6,155,614.67	-	-	6,155,614.67	Self-raised funds and loans from financial institutions	0.70%

**Mingyang Smart Energy Group Co., Ltd.**  
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	Budget	Opening balance	Additions for the current year	Transferred to fixed assets in the current year	Other reductions	Closing balance	Sources of Funding Self-raised funds and loans from financial institutions	Proportion of Engineering Expenditure to Budget (%)
Daqing Mingyang Base Factory Construction Project	564,320,400.00	6,520,350.89	3,860,845.50	6,447,942.19	-	3,933,254.20	Self-raised funds and loans from financial institutions	75.75%
Mingyang Zhongning Smart Energy Industrial Park Project	<u>359,510,850.00</u>	<u>2,718,072.70</u>	<u>37,641,328.03</u>	<u>40,359,400.73</u>	<u>-</u>	<u>-</u>	Self-raised funds and loans from financial institutions	100.00%
Total	<u>21,138,321,850.00</u>	<u>4,220,412,285.43</u>	<u>1,632,533,985.42</u>	<u>3,371,945,927.61</u>	<u>39,240,832.60</u>	<u>2,441,759,510.64</u>		

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**18. Construction in Progress (continued)**

**Construction in Progress (continued)**

**(2) Significant movements in construction in progress (continued)**

	Engineering Progress	Cumulative amount of capitalised interest	Of which: interest capitalised in the current year	Capitalisation rate of interest for the year (%)
Zhanjiang Xuwen Dongsan Offshore Wind Power Demonstration Project	13.00%	-	-	-
Mingyang Smart Energy Group Southern Region Enterprise Headquarters Project	87.02%	31,843,645.77	15,783,830.18	2.40
Myanmar Yangjiang Qingzhou IV Offshore Wind Farm Project and Myanmar Yangjiang 16.6MW Floating Offshore Wind Demonstration Project	99.00%	156,342,733.13	24,279,855.02	2.24
Mingyang Hainan Marine Energy Research and International Business Headquarters Project	74.10%	543,559.63	543,559.63	2.65
Mingyang (Lingao) Large-scale Offshore Wind Turbine Testing and Trial Base Project	99.00%	8,346,005.05	6,385,798.23	2.53
Ordos Gushan Liang Mingyang Smart 100MW/400MWh Grid-Side Energy Storage Power Station Demonstration Project	90.00%	101,955.93	101,955.93	2.54
Xinjiang Mingyang New Energy Industrial Cluster Base Construction Project	95.00%	-	-	-
Jiaxian Tangjie 50MW Wind Power Project	26.37%	-	-	-
Inner Mongolia 5-10MW New Energy Ultra-Large Onshore Wind Turbine Complete Machine and Key Core Components High-End Intelligent Manufacturing Project	98.00%	3,059,362.43	402,771.71	2.90
Phase II of the Mingyang (Lingao) Large-scale Offshore Wind Turbine Testing and Trial Base Project	30.00%	-	-	-
Longsheng Huajieshan Phase II Project	1.85%	-	-	-
Daqing Mingyang Base Factory Construction Project	98.00%	3,795,019.95	-	-
Mingyang Zhongning Smart Energy Industrial Park Project	100.00%	5,144,885.12	44,132.11	2.70
<b>Total</b>		<b>209,177,167.01</b>	<b>47,541,902.81</b>	

**(3) Status of impairment provision for construction in progress**

	Opening balance	Additions for the current year	Decrease for the year	Balance at year-end	Reason for accrual
Wind Farm Engineering Project	30,298,644.59	25,785,996.42	5,757,805.02	50,326,835.99	Termination of the Project
Other Items	4,502,026.36	-	4,502,026.36	-	Idle and suspended operations
<b>Total</b>	<b>34,800,670.95</b>	<b>25,785,996.42</b>	<b>10,259,831.38</b>	<b>50,326,835.99</b>	

**Engineering Materials**

	2025			2024r		
	Book balance	Provision for impairment	Carrying amount	Carrying balance	Provision for impairment	Carrying amount
Specialized Equipment	99,957,662.60	7,557,401.36	92,400,261.24	164,175,989.00	7,557,401.36	156,618,587.64
<b>Total</b>	<b>99,957,662.60</b>	<b>7,557,401.36</b>	<b>92,400,261.24</b>	<b>164,175,989.00</b>	<b>7,557,401.36</b>	<b>156,618,587.64</b>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**19. Right-of-use assets**

**(1) Status of Right-of-Use Assets**

	Buildings and structures	Machinery and equipment	Transport equipment	Electronic equipment and others	Total
<b>Cost</b>					
Opening balance	280,055,109.72	35,430,652.35	480,884.95	1,358,717.52	317,325,364.54
Increase	179,748,509.24	-	-	-	179,748,509.24
Other reductions	<u>(63,404,977.92)</u>	<u>(20,485,049.43)</u>	<u>-</u>	<u>(153,717.52)</u>	<u>(84,043,744.87)</u>
Closing balance	<u>396,398,641.04</u>	<u>14,945,602.92</u>	<u>480,884.95</u>	<u>1,205,000.00</u>	<u>413,030,128.91</u>
<b>Accumulated Depreciation</b>					
Opening balance	59,360,125.22	3,182,381.36	139,590.22	72,663.35	62,754,760.15
Accrual	46,752,523.09	3,178,685.57	152,280.23	117,163.41	50,200,652.30
Other reductions	<u>(11,270,391.48)</u>	<u>(2,454,230.34)</u>	<u>-</u>	<u>(84,535.52)</u>	<u>(13,809,157.34)</u>
Closing balance	<u>94,842,256.83</u>	<u>3,906,836.59</u>	<u>291,870.45</u>	<u>105,291.24</u>	<u>99,146,255.11</u>
<b>Provision for impairment</b>					
Balances at the beginning and end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Carrying amount</b>					
year-end	<u>301,556,384.21</u>	<u>11,038,766.33</u>	<u>189,014.50</u>	<u>1,099,708.76</u>	<u>313,883,873.80</u>
Beginning of the year	<u>220,694,984.50</u>	<u>32,248,270.99</u>	<u>341,294.73</u>	<u>1,286,054.17</u>	<u>254,570,604.39</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to the Consolidated Financial Statements (continued)**

**20. Intangible Assets**

**(1) Intangible Assets**

	Rights to use land and rights to use sea areas	Patents and Proprietary Technology	Software	Wind power project licensing	Total
Original Value					
Opening balance	1,570,668,486.07	1,813,987,622.63	125,811,845.65	44,934,200.00	3,555,402,154.35
Acquisition	96,761,519.52	-	14,716,205.19	-	111,477,724.71
Internal research and development	-	111,655,656.56	-	-	111,655,656.56
Business combinations	25,780,875.00	-	10,774.13	-	25,791,649.13
Disposal or write-off	(58,944,965.94)	-	(1,156,719.75)	-	(60,101,685.69)
Disposal of subsidiaries	(1,028,519.32)	-	-	-	(1,028,519.32)
Exchange differences arising from the translation of foreign currency financial statements	-	-	(1,964.75)	-	(1,964.75)
Closing balance	<u>1,633,237,395.33</u>	<u>1,925,643,279.19</u>	<u>139,380,140.47</u>	<u>44,934,200.00</u>	<u>3,743,195,014.99</u>
Accumulated amortisation					
Opening balance	176,676,005.38	668,145,489.59	63,673,113.40	11,561,195.21	920,055,803.58
Accrual	36,584,569.59	140,071,520.45	10,732,346.46	2,134,374.50	189,522,811.00
Disposal or write-off	(1,947,180.91)	-	(541,153.72)	-	(2,488,334.63)
Disposal of subsidiaries	(7,030.09)	-	-	-	(7,030.09)
Exchange differences arising from the translation of foreign currency financial statements	-	-	(52.75)	-	(52.75)
Balance at year-end	<u>211,306,363.97</u>	<u>808,217,010.04</u>	<u>73,864,253.39</u>	<u>13,695,569.71</u>	<u>1,107,083,197.11</u>
Provision for impairment Balances at the beginning and end of the year	-	152,416,070.10	-	-	152,416,070.10
Carrying amount year-end	<u>1,421,931,031.36</u>	<u>965,010,199.05</u>	<u>65,515,887.08</u>	<u>31,238,630.29</u>	<u>2,483,695,747.78</u>
Beginning of the year	<u>1,393,992,480.69</u>	<u>993,426,062.94</u>	<u>62,138,732.25</u>	<u>33,373,004.79</u>	<u>2,482,930,280.67</u>

At 31 December 2025, Intangible assets arising from internal research and development accounted for 38.85% of the net book value of intangible assets.

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**V. Notes to the Consolidated Financial Statements (continued)**

**20. Intangible Assets (continued)**

**(2) Intangible assets for which title deeds have not been completed**

	Carrying amount	Reasons for failure to complete title certification
Right to use land	<u>19,171,990.27</u>	Still in progress

**21. Goodwill**

**(1) Gross amount of goodwill**

	Opening balance	Additions for the current year Business combinations	Decrease for the year Disposal	Closing balance
Xinjiang Huaran New Energy Co., Ltd.	37,345,809.62	-	-	37,345,809.62
Hongrun (Huanghua) New Energy Co., Ltd.	27,500,000.00	-	-	27,500,000.00
Baotou Yibo Energy Services Co., Ltd.	14,608,995.57	-	14,608,995.57	-
Xinjiang Wanbang Energy Development Co., Ltd.	3,361,632.30	-	-	3,361,632.30
Shaanxi Jieyao Construction Engineering Co., Ltd.	361,933.99	-	-	361,933.99
Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd.	-	6,272,675.17	-	6,272,675.17
Chengde County Shantai Jieyuan Steel Structure Co., Ltd.	-	12,303,879.94	-	12,303,879.94
Total	<u>83,178,371.48</u>	<u>18,576,555.11</u>	<u>14,608,995.57</u>	<u>87,145,931.02</u>

The Group as at 2025 In February of the year, Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd. was acquired, resulting in goodwill of RMB 6,272,675.17; in November 2025, Chengde County Shantai Jieyuan Steel Structure Co., Ltd. was acquired, resulting in goodwill of RMB 12,303,879.94. The calculation process is detailed in Note VII.1.

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**21. Goodwill (continued)**

**(2) Provision for impairment of goodwill**

	Opening balance	<u>Decrease for the year</u> Disposal	Closing balance
Baotou Yibo Energy Service Co., Ltd.	<u>14,608,995.57</u>	<u>14,608,995.57</u>	<u>-</u>

**(3) Impairment testing of goodwill**

The following sets out the key assumptions made when performing impairment testing on goodwill:

Key Assumptions

- |   |   |   |
|---|---|---|
| Revenue growth rate during the budget/forecast period | - | The Company calculates the recoverable amount of the cash-generating unit using the present value of estimated future cash flows. The Company has forecasted future cash flows for the next five years based on the financial budget approved by management. The projected cash flow growth rate for subsequent years is 0.00% (previous period: 0.00%), which shall not exceed the long-term average growth rate of the operating business of the asset group. |
| Discount rate   | - | The discount rate adopted is a pre-tax discount rate that reflects the specific risks associated with the relevant cash-generating unit or group of cash-generating units. The pre-tax discount rate used to calculate the present value of future cash flows was 7.91% (previous period: 7.09%).   |

The key assumptions regarding market development are consistent with external sources of information.

**22. Long-term deferred expenses**

	Opening balance	Additions for the current year	Amortisation for the year	Other reductions	Closing balance
Expenditure on improvements and renovations to leased fixed assets	16,662,116.48	8,432,604.74	8,110,703.47	-	16,984,017.75
Factory renovation and upgrade	34,373,087.13	4,727,934.26	9,702,977.42	-	29,398,043.97
Shared expenditure of the booster static	-	20,256,877.77	844,036.57	-	19,412,841.20
Other	<u>7,300,499.31</u>	<u>5,083,751.77</u>	<u>3,516,432.63</u>	<u>2,170,491.11</u>	<u>6,697,327.34</u>
<b>Total</b>	<u><u>58,335,702.92</u></u>	<u><u>38,501,168.54</u></u>	<u><u>22,174,150.09</u></u>	<u><u>2,170,491.11</u></u>	<u><u>72,492,230.26</u></u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**23. Deferred tax assets/liabilities**

**(1) Deferred tax assets not offset**

	2025		2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for credit impairment	1,707,126,687.91	285,909,104.73	1,478,052,309.02	247,432,168.60
Provision for impairment of assets	439,400,225.72	71,449,983.46	342,136,034.78	50,234,900.97
Accrued Expenses and Provisions	2,108,270,035.31	323,626,529.48	2,118,206,026.50	324,679,288.33
Deductible losses	1,378,481,870.40	316,563,561.13	1,019,111,019.04	239,540,415.16
Unrealised profits on intra-group transactions	2,751,803,976.60	412,770,596.49	1,833,330,392.23	277,091,171.48
Deferred Income - Government Grants	314,599,490.79	57,378,977.21	362,079,192.58	67,157,257.01
Unrealised financing income	5,929,951.53	889,492.73	-	-
Depreciation variance of fixed assets	4,054,215.48	1,013,553.87	4,409,329.56	1,102,332.39
Equity Incentive Scheme	11,696,499.89	1,868,998.96	3,700,572.85	667,296.11
Fair value changes on other equity instruments designated at fair value through other comprehensive income	1,292,075.52	196,305.84	1,861,387.74	280,275.63
Changes in fair value of other non-current financial assets	-	-	78,022,654.74	11,703,398.21
Lease liabilities	292,972,077.40	48,668,159.71	206,023,394.94	39,625,068.35
<b>Total</b>	<b>9,015,627,106.55</b>	<b>1,520,335,263.61</b>	<b>7,446,932,313.98</b>	<b>1,259,513,572.24</b>

**(2) Deferred tax liabilities not offset**

	2025		2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Fair value changes of other equity instruments designated at fair value through other comprehensive income	7,028,348.29	1,073,110.42	5,426,722.27	814,008.34
Fair value adjustments for business combinations not under common control	34,009,120.93	5,101,368.14	36,343,080.34	5,451,462.05
Accelerated depreciation differences on fixed assets	621,931,762.49	122,327,903.85	640,669,073.69	126,555,207.75
Warranty retention money for which no tax liability has arisen	2,318,646,387.93	347,796,958.19	4,972,541,126.60	745,881,168.99
Changes in fair value of other non-current financial assets	14,654,231.67	2,198,134.75	14,000,000.00	2,100,000.00
Right-of-use asset	338,386,602.15	58,928,482.63	240,015,728.24	47,359,983.99
<b>Total</b>	<b>3,334,656,453.46</b>	<b>537,425,957.98</b>	<b>5,908,995,731.14</b>	<b>928,161,831.12</b>

**(3) Deferred tax assets or liabilities presented on a net basis after offset**

	2025		2024	
	Amounts eliminated	Net balance after offsetting	Amounts eliminated	Balance after offset
Deferred tax assets	469,193,599.20	1,051,141,664.41	39,026,424.84	1,220,487,147.40
Deferred tax liabilities	469,193,599.20	68,232,358.78	39,026,424.84	889,135,406.28

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**23. Deferred tax assets/liabilities (continued)**

**(4) Details of unrecognised deferred tax assets**

	2025	2024
Provision for credit impairment	22,624,493.50	20,778,945.00
Provision for impairment of assets	200,754,649.06	267,596,113.65
Deductible losses	1,480,876,552.20	1,596,646,708.04
Government Grants	<u>2,491,850.17</u>	<u>-</u>
Total	<u>1,706,747,544.93</u>	<u>1,885,021,766.69</u>

**(5) Analysis of the expiry dates of deductible losses for which no deferred tax asset has been recognised**

	2025	2024
2025	-	50,938,505.35
2026	182,589,314.67	185,928,185.08
2027	253,763,961.32	279,789,523.43
2028	243,959,374.56	238,318,551.78
2029	339,133,414.34	841,671,942.40
2030	<u>461,430,487.31</u>	<u>-</u>
Total	<u>1,480,876,552.20</u>	<u>1,596,646,708.04</u>

**24. Other non-current assets**

	2025			2024		
	Balance per the books	Provision for impairment	Carrying amount	Balance per the books	Provision for impairment	Carrying amount
Prepaid land grant fees	20,547,560.00	-	20,547,560.00	20,547,560.00	-	20,547,560.00
Prepayments for construction works	292,587,404.85	-	292,587,404.85	74,637,554.24	-	74,637,554.24
Prepayments for equipment	148,442,775.06	13,694,863.37	134,747,911.69	140,936,454.21	5,563,569.03	135,372,885.18
Prepaid investment payments	162,534,000.00	-	162,534,000.00	-	-	-
Large-denomination certificates of deposit	2,794,568,720.34	-	2,794,568,720.34	4,664,262,784.58	-	4,664,262,784.58
Less: Certificates of deposit maturing within one year	1,389,829,582.96	-	1,389,829,582.96	1,982,432,437.08	-	1,982,432,437.08
Input VAT awaiting certification	-	-	-	41,690,757.61	-	41,690,757.61
Contract assets	<u>9,889,663,438.26</u>	<u>109,358,254.60</u>	<u>9,780,305,183.66</u>	<u>8,393,112,458.90</u>	<u>22,395,386.52</u>	<u>8,370,717,072.38</u>
Total	<u>11,918,514,315.55</u>	<u>123,053,117.97</u>	<u>11,795,461,197.58</u>	<u>11,352,755,132.46</u>	<u>27,958,955.55</u>	<u>11,324,796,176.91</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**25. Assets with restricted ownership or right of use**

2025

	Balance per the books	Carrying amount	Restricted Type	Limitation
Cash and cash equivalents	391,277,152.63	391,277,152.63	Freezing and the like	Note 1; Note 2
Accounts Receivable	1,548,529,430.54	1,314,316,306.30	Pledge	Note 3
Other non-current assets	143,130,528.70	142,844,267.64	Pledge	Note 3
Fixed Assets	2,036,945,744.89	1,543,715,234.61	Mortgage	Note 4
Intangible assets	178,476,207.86	148,561,348.17	Mortgage	Note 4
Equity interests in subsidiaries	<u>268,370,000.00</u>	<u>268,370,000.00</u>	Pledge	Note 5
Total	<u>4,566,729,064.62</u>	<u>3,809,084,309.35</u>		

2024

	book balance	Carrying amount	Restricted Type	Restricted Circumstances
Cash and cash equivalents	453,042,713.15	453,042,713.15	Freezing and the like	Note 1; Note 2
Accounts Receivable	1,108,598,145.15	895,944,610.50	Pledge	Note 3
Fixed Assets	2,039,257,440.37	1,592,799,159.45	Mortgage	Note 4
Intangible assets	175,286,810.35	149,418,902.14	Mortgage	Note 4
Equity interests in subsidiaries	<u>624,200,000.00</u>	<u>624,200,000.00</u>	Pledge	Note 5
Total	<u>4,400,385,109.02</u>	<u>3,715,405,385.24</u>		

Note 1: As at 31 December 2025, The Company's margin deposits amounting to RMB 43,079,210.12 incurred in connection with the handling of letters of credit, time deposits, land reclamation and other matters are restricted. ( 31 December 2024: RMB 245,151,781.91); usage of 250,000,000.00 RMB was restricted due to the earmarking caused by the purchase of structured deposits (31 December 2024: None) ; none restricted due to being held with third-party securities institutions (31 December 2024: RMB 160,069,160.79);

Note 2: As at 31 December 2025, The Company has been subject to court-ordered property preservation measures in relation to litigation matters, resulting in restrictions on the use of bank deposits amounting to RMB 98,141,514.36. (31 December 2024: RMB 42,320,921.84); during the process of changing the registered capital amount and business scope, the Company's use of bank deposits amounting to RMB 56,428.15 was temporarily restricted due to the failure to pass the annual inspection of bank account information.(31 December 2024: RMB 5,500,848.61);

Note 3: As at 31 December 2025, the Company obtained loans, financial leasing arrangements, bank guarantees, bank acceptance bills and issued letters of credit by pledging accounts receivable with a carrying amount of RMB 1,314,316,306.30 and other non-current assets with a carrying amount of RMB 142,844,267.64. (31 December 2024: RMB 895,944,610.50). Furthermore, the Company obtained loans by pledging future power generation revenue rights;

Note 4: As at 31 December 2025, the Company's fixed assets with a carrying amount of RMB 1,543,715,234.61 (31 December 2024: RMB 1,592,799,159.45) and intangible assets with a carrying amount of RMB 148,561,348.17 were pledged as security for bank borrowings and to arrange financial leasing transactions (31 December 2024: RMB 149,418,902.14);

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**V. Notes to the Consolidated Financial Statements (continued)**

**25. Assets with restricted ownership or right of use**

Note 5: As at 31 December 2025, the Company obtained bank loans and arranged for financial leasing transactions by pledging its equity interests in subsidiaries with a carrying amount of RMB 268,370,000.00 (31 December 2024: RMB 624,200,000.00).

**26. Short-term borrowings**

**(1) Classification of short-term borrowings**

	2025	2024
Credit loan	3,752,700,000.00	1,571,261,250.42
Pledged borrowings	38,755,000.00	5,591,376.90
Guaranteed Loan	<u>28,832,364.04</u>	<u>-</u>
Total	<u>3,820,287,364.04</u>	<u>1,576,852,627.32</u>

**27. Bills Payable**

	2025	2024
Commercial Acceptance Bill	793,594,023.36	589,073,036.69
Banker's Acceptance Bill	<u>11,536,090,723.54</u>	<u>8,928,122,094.07</u>
Total	<u>12,329,684,746.90</u>	<u>9,517,195,130.76</u>

As at 31 December 2025, the Group has no bills payable that are overdue.

**28. Accounts Payable**

**(1) Presentation of Accounts Payable**

	2025	2024
Payment for goods	<u>17,901,665,179.25</u>	<u>13,016,725,356.61</u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**28. Accounts Payable (continued)**

**(2) Significant accounts payable with an ageing period exceeding one year or which are overdue**

	Year-end balance	Reasons for amounts not repaid or carried forward
Guangdong Construction Engineering Group Co., Ltd.	99,092,669.93	Not yet due for settlement
Ningbo Orient Cable Co., Ltd. Guangdong Branch	62,374,029.00	Not yet due for settlement
Guangdong Yue Shui Dian Equipment Group Co., Ltd.	52,483,249.68	Not yet due for settlement
YOFC (Jiangsu) Marine Technology Co., Ltd.	54,104,877.70	Not yet due for settlement
Taisheng Wind Power Group Co., Ltd.	<u>43,566,054.18</u>	Not yet due for settlement
Total	<u><u>311,620,880.49</u></u>	

**29. Advances from Customers**

**(1) Presentation of advance receipts**

	2025	2024
Rent received in advance	<u>1,307,152.51</u>	<u>1,400,516.31</u>
Total	<u><u>1,307,152.51</u></u>	<u><u>1,400,516.31</u></u>

**30. Contract liabilities**

**(1) Presentation of contract liabilities**

	2025	2024
Sales proceeds received in advance	6,786,482,852.59	6,324,023,323.00
Prepayments for operations and maintenance services	2,469,935,277.01	2,890,905,259.28
Advance payments for construction projects	<u>9,997,977.39</u>	<u>74,744,248.30</u>
Total	<u><u>9,266,416,106.99</u></u>	<u><u>9,289,672,830.58</u></u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**30. Contract liabilities (continued)**

**(2) Significant contract liabilities with an ageing period exceeding one year**

	Balance at year-end	Reasons for uncarried forward
Unit 10	368,735,256.33	Conditions for revenue recognition have not been met.
Unit 11		Revenue recognition criteria have not been met.
Unit 12	78,556,950.78	Conditions for revenue recognition have not been met.
Unit 13	67,516,683.07	Revenue recognition criteria have not been met.
Unit 14	63,904,954.98	Revenue recognition criteria have not been met.
	<u>60,882,752.33</u>	
Total	<u>639,596,597.49</u>	

As at 31 December 2025, the significant movement in the carrying amount of contract liabilities was primarily attributable to customer sales proceeds received in advance and the transfer of contract liabilities to revenue as contracts were fulfilled.

**31. Employee benefits payable**

**(1) Presentation of employee benefits payable**

	Opening balance	Additions for the current year	Decrease for the year	Closing balance
Short-term employee benefits	364,880,320.37	2,697,408,449.53	2,686,630,833.13	375,657,936.77
Post-employment benefits (defined contribution plans)	986,961.33	228,752,237.97	228,911,123.06	828,076.24
Termination benefits	<u>-</u>	<u>16,326,641.11</u>	<u>16,326,641.11</u>	<u>-</u>
Total	<u>365,867,281.70</u>	<u>2,942,487,328.61</u>	<u>2,931,868,597.30</u>	<u>376,486,013.01</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**31. Employee benefits payable (continued)**

**(2) Presentation of Short-term Employee Benefits**

	Opening balance	Additions for the current year	Decrease for the year	Closing balance
Salaries, bonuses, allowances and subsidies	334,832,881.61	2,388,391,395.38	2,380,599,146.17	342,625,130.82
Employee welfare expenses	-	110,708,442.32	110,708,442.32	-
Social Insurance Contributions	520,072.37	94,877,255.46	94,950,248.52	447,079.31
Of which: medical insurance premiums	493,982.43	79,891,059.36	79,961,984.26	423,057.53
Supplementary medical insurance premiums	-	4,137,871.34	4,137,871.34	-
Work Injury Insurance Premium	25,543.98	9,988,015.41	9,989,818.01	23,741.38
Maternity Insurance Premium	545.96	860,309.35	860,574.91	280.40
Housing Provident Fund	471,936.36	82,834,977.28	82,796,372.04	510,541.60
Trade union funds and employee education funds	29,055,430.03	20,596,379.09	17,576,624.08	32,075,185.04
<b>Total</b>	<b>364,880,320.37</b>	<b>2,697,408,449.53</b>	<b>2,686,630,833.13</b>	<b>375,657,936.77</b>

**(3) Defined contribution plans presented**

	Opening balance	Additions for the current year	Decrease for the current year	Closing balance
Post-employment benefits	986,961.33	228,752,237.97	228,911,123.06	828,076.24
Of which: basic endowment insurance premiums	961,988.24	219,740,094.99	219,876,926.65	825,156.58
Unemployment Insurance Contributions	24,973.09	9,012,142.98	9,034,196.41	2,919.66
<b>Total</b>	<b>986,961.33</b>	<b>228,752,237.97</b>	<b>228,911,123.06</b>	<b>828,076.24</b>

**2. Taxes payable**

	2025	2024
Value Added Tax	63,020,159.82	35,522,166.67
Corporate Income Tax	145,382,040.22	99,164,263.32
Individual Income Tax	8,806,888.96	5,092,972.65
Urban Maintenance and Construction Tax	3,122,552.97	14,123,594.76
Education Surcharge	2,415,708.50	11,199,666.79
Stamp duty	13,400,582.28	9,612,052.32
Land Use Tax	1,557,616.81	1,624,909.33
Property Tax	2,670,203.71	2,418,450.57
Other taxes	1,149,599.06	1,070,680.89
<b>Total</b>	<b>241,525,352.33</b>	<b>179,828,757.30</b>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**33. Other Payables**

	2025	2024
Dividends Payable	2,200,000.00	2,200,000.00
Other payables	<u>3,600,618,238.83</u>	<u>2,469,145,185.17</u>
Total	<u><u>3,602,818,238.83</u></u>	<u><u>2,471,345,185.17</u></u>

**Dividends Payable**

**(1) Disclosure of dividends payable**

	2025	2024
Hebei Hongrun Nuclear Equipment Technology Co., Ltd.	<u>2,200,000.00</u>	<u>2,200,000.00</u>

**(2) Significant dividends payable that have remained unpaid for over one year**

	Amount of dividends payable	Reasons for Unpaid Amounts
Hebei Hongrun Nuclear Equipment Technology Co., Ltd.	<u>2,200,000.00</u>	The bank account of the counterparty company has been frozen.

**Other payables**

**(1) Classification by nature of payment**

	2025	2024
Construction costs	2,005,529,750.01	1,516,461,891.37
Receivables and Payables	782,961,145.87	384,782,530.58
Accrued Expenses	414,886,278.58	393,712,446.97
Repurchase Obligation under the Employee Share Ownership Plan	68,725,800.00	-
Margin and Deposit	237,867,498.72	104,949,867.81
Other	<u>90,647,765.65</u>	<u>69,238,448.44</u>
Total	<u><u>3,600,618,238.83</u></u>	<u><u>2,469,145,185.17</u></u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**33. Other Payables (continued)**

**(2) Other significant payables with an ageing period exceeding one year or overdue**

	Closing balance	Reasons for amounts not repaid or carried forward
PowerChina Guizhou Engineering Co., Ltd.	117,656,591.81	Not yet due for settlement
China Construction Second Engineering Bureau Co., Ltd.	28,092,652.01	Not yet due for settlement
China Construction Sixth Engineering Bureau Co., Ltd.	19,381,669.15	Not yet due for settlement
China Construction Fourth Engineering Division Ltd.	<u>12,844,036.70</u>	Not yet due for settlement
Total	<u>177,974,949.67</u>	

**34. Non-current liabilities due within one year**

	2025	2024
Long-term borrowings due within one year	1,163,762,581.72	822,027,278.26
Long-term payables due within one year	579,750,722.57	562,886,004.58
Provisions expected to be settled within one year	407,405,979.04	217,066,222.60
Lease liabilities due within one year	<u>53,989,824.55</u>	<u>26,474,073.17</u>
Total	<u>2,204,909,107.88</u>	<u>1,628,453,578.61</u>

**35. Other current liabilities**

	2025	2024
Output VAT to be deferred	<u>834,612,044.97</u>	<u>824,283,468.88</u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**36. Long-term borrowings**

	2025	2024
Pledged borrowings	10,287,896,351.46	4,726,849,269.97
Secured borrowings	1,465,112,994.89	1,459,477,849.63
Guaranteed loan	728,336,695.78	1,034,738,930.25
Credit loan	<u>2,265,092,824.02</u>	<u>7,542,829,795.65</u>
Subtotal	14,746,438,866.15	14,763,895,845.50
Less: Long-term borrowings due within one year	<u>1,163,762,581.72</u>	<u>822,027,278.26</u>
Total	<u><u>13,582,676,284.43</u></u>	<u><u>13,941,868,567.24</u></u>

At 31 December 2025, the annual interest rate for the aforementioned borrowings ranges from 1.5% to 5.55% (31 December 2024: 2.25% to 3.38%).

**37. Lease liabilities**

	2025	2024
Buildings and structures	307,772,516.98	204,911,907.59
Production equipment	13,436,804.16	598,527.94
Transport equipment	109,313.47	196,138.16
Subtotal	321,318,634.61	205,706,573.69
Less: Lease liabilities due within one year	<u>53,989,824.55</u>	<u>26,474,073.17</u>
Total	<u><u>267,328,810.06</u></u>	<u><u>179,232,500.52</u></u>

**38. Long-term payables**

	2025	2024
Long-term payables	<u>3,281,316,120.96</u>	<u>3,402,243,662.97</u>
Total	<u><u>3,281,316,120.96</u></u>	<u><u>3,402,243,662.97</u></u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**38. Long-term payables (continued)**

**Long-term payables**

	2025	2024
Financing payables	755,146,558.05	1,252,104,943.05
Less: Unrecognised financing costs	29,390,911.80	96,679,182.53
Warranty retention payable	3,052,252,010.03	2,728,261,049.26
Right to use sea areas	122,881,201.92	122,694,887.00
Less: Unrecognised financing costs	<u>39,822,014.67</u>	<u>41,252,029.23</u>
Subtotal	3,861,066,843.53	3,965,129,667.55
Less: Long-term payables due within one year	<u>579,750,722.57</u>	<u>562,886,004.58</u>
Total	<u><u>3,281,316,120.96</u></u>	<u><u>3,402,243,662.97</u></u>

**39. Provisions**

	2025	2024	
Product quality assurance	1,731,062,057.99	1,759,258,369.32	Note 1
Pending Litigation	18,626,434.21	34,791,229.46	Note 2
onerous contract	16,242,465.04	41,214,159.49	Note 3
Other	<u>206,566.65</u>	<u>-</u>	
	1,766,137,523.89	1,835,263,758.27	
Less: Non-current liabilities due within one year	<u>407,405,979.04</u>	<u>217,066,222.60</u>	
Total	<u><u>1,358,731,544.85</u></u>	<u><u>1,618,197,535.67</u></u>	

Note 1: The product sales contracts entered into by the Company with its customers stipulate that during the quality assurance period agreed in the contracts, the Company shall bear the obligation of quality assurance for the products sold. Any costs incurred for quality compensation, including repairs and replacements arising from product quality defects, shall be borne by the Company. The Company accrues product quality warranty provisions based on historical experience data and product characteristics, calculated as a proportion of product sales revenue.

Note 2: For details of the specific circumstances, please refer to Note XIV.2 regarding contingent liabilities arising from pending litigation and arbitration and their financial impact.

Note 3: For executory contracts entered into by the Company with customers, costs that are inevitably incurred in fulfilling contractual obligations exceeding expected economic benefits are recognised as losses on onerous contracts.

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**40. Deferred Income**

	Opening balance	Additions for the current year	Decrease for the year	Closing balance
Government grants related to assets	346,832,592.58	22,891,993.00	67,382,044.62	302,342,540.96
Government grants related to income	<u>16,201,018.96</u>	<u>1,395,600.00</u>	<u>2,847,818.96</u>	<u>14,748,800.00</u>
Total	<u>363,033,611.54</u>	<u>24,287,593.00</u>	<u>70,229,863.58</u>	<u>317,091,340.96</u>

**41. Share Capital**

	Opening balance	Changes in the current year		Year-end balance
		Other	Subtotal	
Total number of shares	<u>2,271,594,206.00</u>	<u>(10,097,500.00)</u>	<u>(10,097,500.00)</u>	<u>2,261,496,706.00</u>

(1) On 21 October 2024, the Company convened the 14th meeting of its Third Board of Directors and the 9th meeting of its Third Supervisory Board. The meetings approved the proposal entitled 'Regarding the Repurchase and Cancellation of Restricted Shares Granted but Not Yet Vested to Certain Participants under the 2019 Restricted Share Incentive Plan'. It was agreed to repurchase and cancel 97,500 restricted shares held by six participants who had left the Company for personal reasons or failed to meet performance assessment requirements. The aforementioned shares were cancelled in full on 16 January 2025.

(2) On 25 September 2025, the Company convened its 24th meeting of the Third Board of Directors. Subsequently, on 20 October 2025, a third extraordinary general meeting for 2025 was convened to deliberate and approve the "Proposal on Changing the Purpose of Repurchased Shares and Cancelling Part of Such Shares", the "Proposal on Changing the Registered Capital of the Company", and the "Proposal on Amending [the Articles]". It was agreed that the purpose of the 89,813,484 shares under the first-phase repurchase plan, which had been approved by the 39th meeting of the Second Board of Directors, shall be changed such that 10,000,000 shares are designated for cancellation with a corresponding reduction in registered capital, while the remaining 79,813,484 shares are allocated for the employee share ownership plan or equity incentive scheme. On 9 December 2025, the cancellation of 10,000,000 shares was completed.

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**42. Capital Reserve**

	Opening balance	Additions for the current year	Decrease for the year	Closing balance
Share premium	16,833,342,902.64	3,874,217.84	164,312,222.95	16,672,904,897.53
Other capital reserves	-	17,212,006.85	-	17,212,006.85
Total	<u>16,833,342,902.64</u>	<u>21,086,224.69</u>	<u>164,312,222.95</u>	<u>16,690,116,904.38</u>

(1) On 25 September 2025, the Company convened its 24th meeting of the Third Board of Directors. Subsequently, on 20 October 2025, a third extraordinary general meeting for 2025 was convened to deliberate and approve the "Proposal on Changing the Purpose of Repurchased Shares and Cancelling Part of Such Shares", the "Proposal on Changing the Registered Capital of the Company", and the "Proposal on Amending [the Articles]". It was agreed that the purpose of the 89,813,484 shares under the first-phase repurchase plan, which had been approved by the 39th meeting of the Second Board of Directors, shall be changed such that 10,000,000 shares are designated for cancellation with a corresponding reduction in registered capital, while the remaining 79,813,484 shares are allocated for the employee share ownership plan or equity incentive scheme. On 9 December 2025, the cancellation of 10,000,000 shares was completed, resulting in a reduction of share premium by RMB 161,666,928.53.

(2) In May 2025, the transfer of a 0.6556% equity interest between the Company and Wuxi Innovation and Entrepreneurship Angel Investment Guidance Fund (Limited Partnership) resulted in a reduction of capital reserve by RMB 2,172,409.42; see Note VIII.2.

(3) In 2025, the transfer of 33% equity interest between the Company and the natural person Chen Jinghua resulted in an increase in capital reserves of RMB 3,874,217.84; see Note VIII.2.

(4) The recognition of expenses for equity-settled share-based payments resulted in an increase in capital reserve - other capital reserves by RMB 17,212,006.85.

(5) Refer to Note V.43: 97,500 restricted shares that had been granted but not yet vested for six incentive recipients who resigned due to personal reasons or failed the performance assessment were repurchased and cancelled, resulting in a decrease of RMB 472,885.00 in capital reserve - share premium.

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**43. Treasury shares**

	Opening balance	Additions for the current year	Decrease for the year	Closing balance
Employee Share Ownership Plan	-	138,915,763.20	-	138,915,763.20
Restricted Stock Incentive Scheme	570,385.00	-	570,385.00	-
Share buyback	<u>1,310,111,118.52</u>	<u>-</u>	<u>310,582,691.73</u>	<u>999,528,426.79</u>
Total	<u>1,310,681,503.52</u>	<u>138,915,763.20</u>	<u>311,153,076.73</u>	<u>1,138,444,189.99</u>

(1) On 21 October 2024, the Company convened the 14th meeting of its Third Board of Directors and the 9th meeting of its Third Supervisory Board. The meetings approved the proposal entitled 'Proposal on Repurchasing and Cancelling Restricted Shares Granted but Not Yet Vested to Certain Participants under the 2019 Restricted Share Incentive Plan'. It was agreed to repurchase and cancel 97,500 restricted shares held by six participants who had left the Company for personal reasons or failed to meet performance assessments. The aforementioned shares were cancelled in full on 16 January 2025, resulting in a reduction of treasury shares by RMB 570,385.00.

(2) On 25 September 2025, the Company convened its 24th meeting of the Third Board of Directors. Subsequently, on 20 October 2025, a third extraordinary general meeting for 2025 was convened to deliberate and approve the "Proposal on Changing the Purpose of Repurchased Shares and Cancelling Part of Such Shares", the "Proposal on Changing the Registered Capital of the Company", and the "Proposal on Amending [the Articles]". It was agreed that the purpose of the 89,813,484 shares covered by the first-phase repurchase plan, which had been approved at the 39th meeting of the Second Board of Directors, shall be changed such that 10,000,000 shares are designated for cancellation with a corresponding reduction in registered capital, while the remaining 79,813,484 shares are allocated for the employee share ownership plan or equity incentive scheme. On 9 December 2025, the cancellation of 10,000,000 shares was completed, resulting in a reduction of treasury shares by RMB 171,666,928.53. On 26 December 2025, the Company's 2025 Employee Share Ownership Plan completed a non-trading transfer of 9.79 million shares, resulting in a decrease of RMB 138,915,763.20 in treasury shares held for share repurchase and an increase of RMB 138,915,763.20 in treasury shares held under the Employee Share Ownership Plan.

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**44. Other Comprehensive Income**

Accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated statement of financial position:

2025

	1 January 2025	Increases and decreases	31 December 2025
Changes in fair value of other equity instrument investments	2,986,046.87	1,315,744.80	4,301,791.67
Exchange differences arising from the translation of foreign currency financial statements	<u>31,191,665.80</u>	<u>6,214,705.82</u>	<u>37,406,371.62</u>
Total	<u>34,177,712.67</u>	<u>7,530,450.62</u>	<u>41,708,163.29</u>

2024

	1 January 2024	Increases and decreases	31 December 2024
Changes in fair value of other equity instrument investments	19,908,386.20	(16,922,339.33)	2,986,046.87
Exchange differences arising from the translation of foreign currency financial statements	<u>29,436,564.57</u>	<u>1,755,101.23</u>	<u>31,191,665.80</u>
Total	<u>49,344,950.77</u>	<u>(15,167,238.10)</u>	<u>34,177,712.67</u>

Other comprehensive income for the period:

2025

	Pre-tax amount	Less: Income tax	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income that cannot be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	2,154,308.16	343,071.86	1,315,744.80	495,491.50
Other comprehensive income reclassified to profit or loss				
Exchange differences arising on the translation of foreign currency financial statements	<u>6,214,713.70</u>	<u>-</u>	<u>6,214,705.82</u>	<u>7.88</u>
Total	<u>8,369,021.86</u>	<u>343,071.86</u>	<u>7,530,450.62</u>	<u>495,499.38</u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**44. Other Comprehensive Income (continued)**

2024

	Pre-tax amount	Less: Income tax	Attributable to shareholders of the Company	Attributable to non-controlling interests
Other comprehensive income that cannot be reclassified to profit or loss				
Fair value changes on other equity instrument investments	(19,433,306.80)	(2,914,572.28)	(16,922,339.33)	403,604.81
Other comprehensive income reclassified to profit or loss				
Exchange differences arising from the translation of foreign currency financial statements	<u>1,714,056.45</u>	<u>-</u>	<u>1,755,101.23</u>	<u>(41,044.78)</u>
Total	<u>(17,719,250.35)</u>	<u>(2,914,572.28)</u>	<u>(15,167,238.10)</u>	<u>362,560.03</u>

**45. Special Reserve**

	Opening balance	Additions for the current year	Decrease for the year	Closing balance
Safety Production Expenses	<u>127,720,399.63</u>	<u>117,317,743.68</u>	<u>70,176,531.26</u>	<u>174,861,612.05</u>

**46. Surplus Reserve**

	Opening balance	Additions for the current year	Closing balance
Statutory surplus reserve	<u>800,205,863.05</u>	<u>60,278,623.46</u>	<u>860,484,486.51</u>

In accordance with the Companies Act and the Company's Articles of Association, the Company has appropriated a statutory surplus reserve amounting to 10% of its net profit. Where the cumulative amount of the statutory surplus reserve exceeds 50% of the registered capital of the Company, no further appropriation shall be made.

**47. Retained earnings**

	2025	2024
Undistributed profits at the beginning of the year	7,481,114,182.62	7,805,339,591.68
Net profit attributable to shareholders of the parent company	659,873,732.73	346,114,493.48
Less: Appropriation to statutory surplus reserve	60,278,623.46	16,380,691.63
Dividends payable to ordinary shareholders	<u>653,929,561.16</u>	<u>653,959,210.91</u>
Undistributed profits at year-end	<u>7,426,779,730.73</u>	<u>7,481,114,182.62</u>
Of which: the amount of surplus reserve appropriated by the subsidiary in the current year attributable to the Company	104,351,780.74	116,234,296.91

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**47. Retained earnings (continued)**

Note: Pursuant to the deliberation by the Nineteenth Meeting of the Third Board of Directors held on 24 April 2025, the Company declared a cash dividend of RMB 0.3041 per share (inclusive of tax) to all shareholders. As at 24 April 2025, the Company's total share capital amounted to 2,271,496,706 shares. After deducting the 121,119,984 shares held in the Company's repurchase special account, the number of shares eligible for the current profit distribution was 2,150,376,722 shares. Based on this calculation, a total cash dividend of RMB 653,929,561.16 (inclusive of tax) was declared.

**48. Operating Revenue and Cost of Sales**

**(1) Status of Operating Revenue and Operating Costs**

	2025		2024	
	Revenue	Cost	Revenue	Cost
Principal Business	37,638,271,197.12	33,735,007,900.64	26,703,882,093.97	24,666,512,918.94
Other Business	456,698,067.31	427,672,061.62	454,434,623.97	292,492,634.60
Total	<u>38,094,969,264.43</u>	<u>34,162,679,962.26</u>	<u>27,158,316,717.94</u>	<u>24,959,005,553.54</u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**48. Operating Revenue and Cost of Sales (continued)**

**(2) Information on breakdown of operating revenue and operating costs by business segment**

**2025**

Classification of Contracts	Sales of products		Power generation and electricity sales		Construction of wind farm		Other		Total	
	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales
Product Type										
Principal Business	35,810,047,051.65	32,590,647,222.81	1,353,690,343.84	731,159,006.70	474,533,801.63	413,201,671.13	-	-	37,638,271,197.12	33,735,007,900.64
Other Business	-	-	-	-	-	-	456,698,067.31	427,672,061.62	456,698,067.31	427,672,061.62
<b>Total</b>	<b>35,810,047,051.65</b>	<b>32,590,647,222.81</b>	<b>1,353,690,343.84</b>	<b>731,159,006.70</b>	<b>474,533,801.63</b>	<b>413,201,671.13</b>	<b>456,698,067.31</b>	<b>427,672,061.62</b>	<b>38,094,969,264.43</b>	<b>34,162,679,962.26</b>
Operating Segments										
Domestic	35,003,156,038.90	31,955,913,112.53	1,353,690,343.84	731,159,006.70	474,533,801.63	413,201,671.13	456,698,067.31	427,672,061.62	37,288,078,251.68	33,527,945,851.98
Overseas	806,891,012.75	634,734,110.28	-	-	-	-	-	-	806,891,012.75	634,734,110.28
<b>Total</b>	<b>35,810,047,051.65</b>	<b>32,590,647,222.81</b>	<b>1,353,690,343.84</b>	<b>731,159,006.70</b>	<b>474,533,801.63</b>	<b>413,201,671.13</b>	<b>456,698,067.31</b>	<b>427,672,061.62</b>	<b>38,094,969,264.43</b>	<b>34,162,679,962.26</b>
Timing of the transfer of goods										
Transfer at a point in time	35,254,215,456.00	31,985,625,437.81	1,353,690,343.84	731,159,006.70	-	-	427,759,362.65	403,977,719.64	37,035,665,162.49	33,120,762,164.15
transfer over a period of time	555,831,595.65	605,021,785.00	-	-	474,533,801.63	413,201,671.13	-	-	1,030,365,397.28	1,018,223,456.13
Revenue outside the scope of revenue standards	-	-	-	-	-	-	28,938,704.66	23,694,341.98	28,938,704.66	23,694,341.98
<b>Total</b>	<b>35,810,047,051.65</b>	<b>32,590,647,222.81</b>	<b>1,353,690,343.84</b>	<b>731,159,006.70</b>	<b>474,533,801.63</b>	<b>413,201,671.13</b>	<b>456,698,067.31</b>	<b>427,672,061.62</b>	<b>38,094,969,264.43</b>	<b>34,162,679,962.26</b>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**48. Operating Revenue and Cost of Sales (continued)**

**(2) Information on breakdown of operating revenue and operating costs by business segment (continued)**

2024

Business Classification	Sales of products		Power generation and electricity sales		Construction of the wind farm		Other		Total	
	Operating Revenue	Cost of sales	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales
Presentation Type										
Principal Business	24,392,768,755.55	23,394,248,143.76	1,734,941,280.77	743,683,969.05	576,172,057.65	528,580,806.13	-	-	26,703,882,093.97	24,666,512,918.94
Other Business	-	-	-	-	-	-	454,434,623.97	292,492,634.60	454,434,623.97	292,492,634.60
<b>Total</b>	<b>24,392,768,755.55</b>	<b>23,394,248,143.76</b>	<b>1,734,941,280.77</b>	<b>743,683,969.05</b>	<b>576,172,057.65</b>	<b>528,580,806.13</b>	<b>454,434,623.97</b>	<b>292,492,634.60</b>	<b>27,158,316,717.94</b>	<b>24,959,005,553.54</b>
Operating Segments										
Domestic	23,778,302,217.34	22,848,327,263.71	1,734,941,280.77	743,683,969.05	576,172,057.65	528,580,806.13	454,434,623.97	292,492,634.60	26,543,850,179.73	24,413,084,673.49
Overseas	614,466,538.21	545,920,880.05	-	-	-	-	-	-	614,466,538.21	545,920,880.05
<b>Total</b>	<b>24,392,768,755.55</b>	<b>23,394,248,143.76</b>	<b>1,734,941,280.77</b>	<b>743,683,969.05</b>	<b>576,172,057.65</b>	<b>528,580,806.13</b>	<b>454,434,623.97</b>	<b>292,492,634.60</b>	<b>27,158,316,717.94</b>	<b>24,959,005,553.54</b>
Timing of the transfer of goods										
Disposal at a point in time	24,392,768,755.55	23,394,248,143.76	1,734,941,280.77	743,683,969.05	-	-	434,534,884.89	288,620,369.10	26,562,244,921.21	24,426,552,481.91
transfer over a period of time	-	-	-	-	576,172,057.65	528,580,806.13	-	-	576,172,057.65	528,580,806.13
Revenue outside the scope of revenue standards	-	-	-	-	-	-	19,899,739.08	3,872,265.50	19,899,739.08	3,872,265.50
<b>Total</b>	<b>24,392,768,755.55</b>	<b>23,394,248,143.76</b>	<b>1,734,941,280.77</b>	<b>743,683,969.05</b>	<b>576,172,057.65</b>	<b>528,580,806.13</b>	<b>454,434,623.97</b>	<b>292,492,634.60</b>	<b>27,158,316,717.94</b>	<b>24,959,005,553.54</b>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**48. Operating Revenue and Cost of Sales (continued)**

**(3) Breakdown of operating revenue and operating cost by product**

	2025		2024	
	Revenue	Cost	Revenue	Cost
Principal Business:				
Wind turbines and related accessories	31,010,004,661.15	29,030,502,331.48	20,833,274,400.70	20,929,418,590.25
Sales of power station products	4,506,462,857.05	3,199,852,019.32	2,791,873,589.91	1,586,521,250.19
Power generation and electricity sales	1,353,690,343.84	731,159,006.70	1,734,941,280.77	743,683,969.05
Construction of the wind farm	474,533,801.63	413,201,671.13	576,172,057.65	528,580,806.13
Photovoltaic products	293,579,533.45	360,292,872.01	767,620,764.94	878,308,303.32
Subtotal	<u>37,638,271,197.12</u>	<u>33,735,007,900.64</u>	<u>26,703,882,093.97</u>	<u>24,666,512,918.94</u>
Other Business:				
Other	<u>456,698,067.31</u>	<u>427,672,061.62</u>	<u>454,434,623.97</u>	<u>292,492,634.60</u>
Total	<u>38,094,969,264.43</u>	<u>34,162,679,962.26</u>	<u>27,158,316,717.94</u>	<u>24,959,005,553.54</u>

**(4) Performance obligations**

The revenue recognised originates from:

	2025	2024
Revenue recognised from contract liabilities carried forward at the beginning of the year	6,170,543,035.76	5,463,003,135.55

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**48. Operating Revenue and Cost of Sales (continued)**

**(4) Performance obligations (continued)**

The following information relates to the Group's performance obligations:

Project	Timing of satisfaction of performance obligations	Significant Payment Terms	Nature of the goods promised to be transferred	Whether they are the primary responsible party	The expected amount to be refunded to customers	Types of quality assurance provided and related obligations
Sales of wind turbines and related accessories	Upon delivery	Payment upon delivery of goods	Wind turbine generator	Yes	-	Statutory warranty
Operations and Maintenance Services	During the service period when electricity is transmitted to the grid company	Progress acceptance payment for services	Service-oriented Operations and Maintenance	Yes	-	None
Electricity sales		Electricity settlement amount	Electricity	Yes	-	None
Revenue from construction	During the construction period	Progress acceptance payment for services	Wind power construction services	Yes	-	Statutory warranty
Revenue from sales of power station products	Upon delivery	Consideration for the transfer of equity interests	Power station products	Yes	-	None
Revenue from sales of photovoltaic products	Upon delivery	Payment upon delivery of goods	Photovoltaic products	Yes	-	Statutory warranty

**(5) Allocation to remaining performance obligations**

The expected timing for recognising revenue from performance obligations that have been contracted but not yet fulfilled or are not yet fully fulfilled is as follows:

	2025	2024
within the next 12 months	10,533,012,403.39	8,831,567,741.83
the next one to two years	<u>1,388,742,791.69</u>	<u>2,035,563,301.30</u>
Total	<u>11,921,755,195.08</u>	<u>10,867,131,043.13</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**48. Operating Revenue and Cost of Sales (continued)**

**(6) Trial sales arising from ordinary activities**

The profit or loss from trial sales that form part of ordinary activities is as follows:

	2025	2024
Operating Revenue	162,715,877.01	339,881,730.22
Cost of Sales	20,707,474.30	27,291,482.61

**49. Taxes and Surcharges**

	2025	2024
Property Tax	50,409,329.38	40,768,117.69
Stamp duty	39,347,105.20	29,532,683.97
Land Use Tax	22,254,920.36	17,297,964.29
Urban Maintenance and Construction Tax	16,902,778.93	44,063,969.66
Education Surcharge	12,180,265.97	32,759,684.76
Other	<u>456,438.10</u>	<u>577,725.91</u>
Total	<u>141,550,837.94</u>	<u>165,000,146.28</u>

**50. Selling Expenses**

	2025	2024
Employee Benefits	342,148,806.53	288,859,350.70
Tender Service Fee	176,221,926.33	149,270,709.15
Travel and transportation expenses	121,373,717.28	100,012,000.10
Business entertainment expenses	74,976,341.90	86,872,093.37
Depreciation and amortisation	38,135,194.06	35,119,486.76
Other	<u>62,277,664.90</u>	<u>51,772,048.29</u>
Total	<u>815,133,651.00</u>	<u>711,905,688.37</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**51. Administrative expenses**

	2025	2024
Employee benefits	681,312,403.16	594,170,982.67
Depreciation and amortisation	171,962,293.78	149,356,444.77
Intermediary fees	130,297,810.21	98,050,923.06
Business entertainment expenses	45,925,724.79	58,261,499.06
Travel and transportation expenses	54,079,919.37	54,907,581.04
Other	<u>118,932,848.26</u>	<u>130,582,302.80</u>
<b>Total</b>	<b><u>1,202,510,999.57</u></b>	<b><u>1,085,329,733.40</u></b>

**52. Research and development expenses**

	2025	2024
Employee benefits	364,493,887.30	282,258,770.68
Depreciation and amortisation	160,321,396.98	88,548,420.42
Consumption of materials	79,735,793.87	37,857,161.52
Professional fees for design, inspection, certification, etc.	95,611,962.47	89,912,722.58
Travel expenses	25,023,507.66	19,820,513.83
Other	<u>44,476,246.16</u>	<u>44,183,465.62</u>
<b>Total</b>	<b><u>769,662,794.44</u></b>	<b><u>562,581,054.65</u></b>

**53. Finance costs**

	2025	2024
Interest expense	485,190,370.76	528,233,235.58
Reversal of unrecognised financing costs	117,251,120.04	122,235,983.36
Less: Capitalised interest	69,570,656.84	144,207,507.67
Interest income	137,080,096.04	203,650,412.13
Exchange gains and losses	45,868,624.07	(24,488,838.69)
Fees and other	<u>73,871,604.31</u>	<u>64,317,752.97</u>
<b>Total</b>	<b><u>515,530,966.30</u></b>	<b><u>342,440,213.42</u></b>

The amount of borrowing costs capitalised has been included in construction in progress.

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**54. Other income**

	2025	2024
Government grants related to assets	64,747,044.62	61,188,965.34
Government grants related to income	65,168,646.32	95,721,977.15
Reimbursement of individual income tax handling fees	1,941,692.75	2,058,128.89
Tax incentives	<u>106,907,626.34</u>	<u>363,300,850.84</u>
Total	<u>238,765,010.03</u>	<u>522,269,922.22</u>

**55. Investment income**

	2025	2024
Income from long-term equity investments accounted for using the equity method	11,943,793.70	21,938,227.31
Investment income arising from the disposal of equity interests in subsidiaries	161,269,275.53	961,686,260.38
Investment income arising from the disposal of financial assets measured at fair value through profit or loss	103,375,366.65	172,750,440.54
Investment income received during the holding period of financial assets measured at fair value through profit or loss	650,741.63	1,159,532.17
Dividend income from other equity instruments	3,348,171.56	-
Interest income received on other non-current assets during the holding period	<u>114,865,026.71</u>	<u>-</u>
Total	<u>395,452,375.78</u>	<u>1,157,534,460.40</u>

**56. Gain on changes in value**

	2025	2024
Financial assets held for trading	16,536,931.23	(70,035.48)
Other non-current financial assets	<u>56,490,722.32</u>	<u>(15,348,463.79)</u>
Total	<u>73,027,653.55</u>	<u>(15,418,499.27)</u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**57. Credit impairment losses**

	2025	2024
Impairment losses on notes receivable	(344,794.84)	(498,434.32)
Bad debt losses on accounts receivable	(183,559,556.45)	(297,874,977.69)
Impairment losses on other receivables	(24,657,800.85)	14,972,036.96
Bad debt losses on other current assets	<u>(26,029,054.14)</u>	<u>(4,638,668.74)</u>
Total	<u>(234,591,206.28)</u>	<u>(288,040,043.79)</u>

**58. Impairment losses on assets**

	2025	2024
Impairment loss on fixed assets	-	(41,666,698.09)
Provision for inventory obsolescence	(88,509,586.73)	(206,056,804.48)
Impairment loss on contract assets	(36,689,164.27)	563,707.07
Impairment losses on other non-current assets	(95,094,162.42)	5,994,758.52
Impairment loss on prepayments	(20,199.65)	(5,846,191.34)
Impairment loss on construction in progress	(25,785,996.42)	(414,855.41)
Provision for impairment of engineering materials	<u>-</u>	<u>(7,557,401.36)</u>
Total	<u>(246,099,109.49)</u>	<u>(254,983,485.09)</u>

**59. Gain on disposal of assets**

	2025	2024
Gain (loss) on disposal of fixed assets (to be stated with a "-" sign)	2,535,168.08	(3,207,470.91)
Gain on disposal of right-of-use assets	-	1,273,598.12
Gain (loss) on disposal of construction in progress (to be stated with a minus sign)	(173,871.49)	(819,022.31)
Gain on disposal of intangible assets	<u>-</u>	<u>1,267,164.11</u>
Total	<u>2,361,296.59</u>	<u>(1,485,730.99)</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**60. Non-operating income**

	2025	2024	Included non-recurring gains and losses for the year 2025
Claims income	10,545,035.24	18,207,638.15	10,545,035.24
Carbon emission allowance trading	-	28,921,836.32	-
Other	<u>1,068,949.34</u>	<u>4,455,227.17</u>	<u>1,068,949.34</u>
Total	<u><u>11,613,984.58</u></u>	<u><u>51,584,701.64</u></u>	<u><u>11,613,984.58</u></u>

**61. Non-operating expenses**

	2025	2024	Included non-recurring gains and losses for the year 2025
Donation expenditure	43,898,172.93	26,945,260.00	43,898,172.93
Loss on disposal of non-current assets	4,613,471.37	30,912,330.32	4,613,471.37
Compensation expenditure	19,630,741.53	20,732,825.55	19,630,741.53
Expenditure on fines	22,720,673.10	6,715,376.64	22,720,673.10
Other	<u>1,198,760.22</u>	<u>3,378,261.09</u>	<u>1,198,760.22</u>
Total	<u><u>92,061,819.15</u></u>	<u><u>88,684,053.60</u></u>	<u><u>92,061,819.15</u></u>

**62. Income tax expense**

	2025	2024
Current income tax calculated in accordance with the Tax Law and relevant regulations	590,612,199.99	336,048,526.92
Deferred income tax expense	<u>(651,900,636.37)</u>	<u>(293,090,824.95)</u>
Total	<u><u>(61,288,436.38)</u></u>	<u><u>42,957,701.97</u></u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**62. Income tax expense (continued)**

The relationship between income tax expense and total profit is presented as follows:

	2025	2024
Total profit	636,368,238.53	414,831,599.80
Income tax expense calculated at the applicable tax rate	95,455,235.78	79,784,275.62
Impact of subsidiaries being subject to different tax rates	(8,908,034.10)	41,483,159.98
Impact of adjustments to income tax for prior periods	50,176,165.95	(21,394,746.00)
Profit or loss of associates and joint ventures accounted for using the equity method	(3,048,433.25)	(4,064,960.97)
Non-deductible costs, expenses and losses	8,337,510.84	43,746,168.91
Impact of changes in tax rates on the opening balance of deferred tax	(12,992,864.03)	(8,927,139.89)
Utilising the tax effects of deductible losses and deductible temporary differences from prior years that were not previously recognised.	(141,428,692.03)	(35,788,801.35)
Unrecognised tax effects of deductible losses and deductible temporary differences	92,753,059.71	92,580,535.91
Tax implications of the additional deduction for research and development expenses	(89,760,124.58)	(86,372,871.99)
Other	<u>(51,872,260.67)</u>	<u>(58,087,918.25)</u>
Income tax expense	<u>(61,288,436.38)</u>	<u>42,957,701.97</u>

Note: Income tax expense in mainland China is calculated based on profits and tax rates applicable to mainland China; income tax expense in other regions is calculated based on profits and tax rates applicable to the countries or regions where operations are conducted.

**63. Earnings per share**

	2025	2024
	RMB/ share	RMB/ share
Basic earnings per share		
Going Concern	0.3057	0.1517
Discontinued operations	0.0012	0.0007
Diluted earnings per share		
Going Concern	0.3056	0.1517
Discontinued operations	0.0012	0.0007

Basic earnings per share is calculated by dividing the net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding.

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**63. Earnings per share (continued)**

The numerator for diluted earnings per share is determined by adjusting the current period net profit attributable to ordinary shareholders of the Company for the following factors: interest on dilutive potential ordinary shares recognised as expenses in the current period; gains or losses arising from the conversion of dilutive potential ordinary shares; and income tax effects related to the aforementioned adjustments.

The denominator for diluted earnings per share is the sum of: the weighted average number of ordinary shares issued by the parent company in basic earnings per share; and the weighted average number of ordinary shares assumed to be issued upon conversion of dilutive potential ordinary shares.

When calculating the weighted average number of ordinary shares added by the conversion of dilutive potential ordinary shares into issued ordinary shares, dilutive potential ordinary shares issued in prior periods are assumed to have been converted at the beginning of the current period, whereas dilutive potential ordinary shares issued during the current period are assumed to have been converted on their respective dates of issue.

The specific calculations for basic earnings per share and diluted earnings per share are as follows:

	2025	2024
Basic earnings per share		
Basic earnings per share from continuing operations	0.3057	0.1517
Earnings per share from discontinued operations	<u>0.0012</u>	<u>0.0007</u>
Total	<u>0.3069</u>	<u>0.1524</u>
	2025	2024
Diluted earnings per share		
Attributable to:		
Diluted earnings per share from continuing operations	0.3056	0.1517
Diluted earnings per share from discontinued operations	<u>0.0012</u>	<u>0.0007</u>
Total	<u>0.3068</u>	<u>0.1524</u>
Shares		
The weighted average number of ordinary shares issued and outstanding by the Company	2,150,376,722.00	2,271,759,206.00
Dilutive effect — Weighted average number of ordinary shares	<u>211,724.00</u>	<u>-</u>
Weighted average number of ordinary shares of the Company issued and outstanding after adjustment	<u>2,150,588,446.00</u>	<u>2,271,759,206.00</u>

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**64. Notes to the Statement of Cash Flows**

**(1) Cash flows from operating activities**

	2025	2024
Cash received from other activities related to operating activities		
Receivables and Payables	135,855,365.16	205,945,867.74
Government grants related to assets	22,891,993.00	31,001,822.30
Government grants related to income	46,228,293.72	28,152,822.64
Deposits and bid bonds	340,611,391.35	368,060,309.46
Interest income	124,741,061.67	201,089,166.63
	<u>670,328,104.90</u>	<u>834,249,988.77</u>
Total	<u>670,328,104.90</u>	<u>834,249,988.77</u>
Cash paid for other operating activities		
Receivables and Payables	453,912,403.46	383,095,586.54
Cash expenses	1,321,725,785.92	1,029,685,099.48
Deposits, bid bonds and winning bid service fees	714,997,022.28	488,525,986.99
	<u>2,490,635,211.66</u>	<u>1,901,306,673.01</u>
Total	<u>2,490,635,211.66</u>	<u>1,901,306,673.01</u>

**(2) Cash flows related to investing activities**

	2025	2024
Cash received from other activities related to investing		
Receivables and Payables	112,708,928.99	364,239,746.84
Opening balance of cash and cash equivalents for newly consolidated subsidiaries	-	18,397,445.57
	<u>112,708,928.99</u>	<u>382,637,192.41</u>
Total	<u>112,708,928.99</u>	<u>382,637,192.41</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**64. Notes to the Statement of Cash Flows (continued)**

**(3) Cash flows related to financing activities**

	2025	2024
Cash received from other financing activities		
Other financing	573,450,889.12	510,770,000.00
Receipt of funds from the employee share ownership scheme	68,725,800.00	-
Proceeds from discounting of bills	-	5,029,376.90
	<u>642,176,689.12</u>	<u>515,799,376.90</u>
Total		
Cash paid for other financing activities		
Capital reduction payment	1,012,234.00	755,357,981.66
Proceeds from discounted bills of exchange	-	340,629,318.82
Consideration paid for business combinations under common control	-	291,000,000.00
Lease payments	565,973,926.60	168,811,584.99
Acquisition of minority interests in subsidiaries	14,250,222.22	15,000,000.00
Repayment of external shareholder loans	5,000,000.00	2,138,000.00
	<u>586,236,382.82</u>	<u>1,572,936,885.47</u>
Total		

The movements in liabilities arising from financing activities are as follows:

	Opening balance	Additions for the current year		Decrease for the year		Year-end balance	
		Movement in Cash	Non-cash movements	Changes in Cash	Non-cash movements		
Short-term borrowings	1,576,852,627.32	5,797,972,695.09	153,113,659.00	3,349,559,780.99	358,091,836.38	3,820,287,364.04	
Long-term borrowings	14,763,895,845.50	3,636,369,982.75	1,192,857,585.21	2,024,423,742.00	2,822,260,805.31	14,746,438,866.15	
Long-term payables	1,236,868,618.29	-	77,462,390.83	505,516,175.62	-	808,814,833.50	
Lease liabilities	205,706,573.69	-	239,028,199.90	60,457,750.98	62,958,388.00	321,318,634.61	
Total	<u>17,783,323,664.80</u>	<u>9,434,342,677.84</u>	<u>1,662,461,834.94</u>	<u>5,939,957,449.59</u>	<u>3,243,311,029.69</u>	<u>19,696,859,698.30</u>	

Note: The decrease in non-cash movements this year was primarily due to the disposal of subsidiaries and sales of power station products.

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**V. Notes to the Consolidated Financial Statements (continued)**

**65. Supplementary information to the statement of cash flows**

**(1) Supplementary information to the statement of cash flows**

Reconciliation of net profit to cash flows from operating activities:

	2025	2024
Net profit	697,656,674.91	371,873,897.83
Add: Provision for impairment of assets	246,099,109.49	254,983,485.09
Provision for credit impairment	234,591,206.28	288,040,043.79
Depreciation of Property, Plant and Equipment and Investment Properties	1,377,653,357.36	1,223,122,003.86
Depreciation of right-of-use assets	50,200,652.30	46,992,971.92
Amortisation of intangible assets	189,522,811.00	164,234,092.06
Amortisation of long-term deferred expenses	22,174,150.09	24,377,090.20
Loss (gain to be stated with a minus sign) on disposal of fixed assets, intangible assets and other long-term assets	(2,361,296.59)	1,485,730.99
Loss on disposal of fixed assets	3,872,662.09	30,816,793.20
Loss (gain) on changes in fair value (to be stated with a minus sign)	(73,027,653.55)	15,418,499.27
Finance costs	578,739,458.03	546,090,625.55
Loss on investments (income to be stated with a "-" sign)	(395,452,375.78)	(1,157,534,460.40)
Movement in deferred tax assets	169,490,409.17	(67,733,125.40)
Movement in deferred tax liabilities	(821,391,045.54)	(225,357,699.57)
Movements in inventory	(4,832,937,524.18)	(4,043,616,971.45)
Changes in operating receivables	(9,244,334,450.72)	(2,610,785,161.39)
Changes in operating payables	6,244,219,779.20	2,734,425,362.61
Share-based payment	17,212,006.85	-
Net cash flow from operating activities	<u>(5,538,072,069.59)</u>	<u>(2,403,166,821.84)</u>

Significant investing and financing activities not involving cash:

	2025	2024
Addition of right-of-use assets	179,748,509.24	489,024,044.46

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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**65. Supplementary information to the statement of cash flows (continued)**

**(1) Supplementary information to the statement of cash flows (continued)**

Net change in cash and cash equivalents:

	2025	2024
The year-end balance of cash	10,257,669,704.56	14,217,771,011.92
Less: Opening balance of cash	<u>14,217,771,011.92</u>	<u>12,071,044,966.34</u>
Net increase in cash and cash equivalents	<u>(3,960,101,307.36)</u>	<u>2,146,726,045.58</u>

**(2) Net cash acquired from subsidiaries and other business units**

	2025
Cash and cash equivalents paid for subsidiaries and other business units acquired in the current year	29,539,300.00
Less: Cash and cash equivalents held by subsidiaries and other business units acquired on the acquisition date	624,930.16
Add: Cash and cash equivalents paid for subsidiaries and other business units acquired in prior years	<u>-</u>
Net cash paid for acquisition of subsidiaries and other business units	<u>28,914,369.84</u>

**(3) Net cash arising from disposal of subsidiaries and other business units**

	2025
Cash and cash equivalents received from disposal of subsidiaries and other business units during the current year	333,307,141.79
Less: Cash and cash equivalents held by subsidiaries and other business units on the date of loss of control	90,590,674.96
Add: Cash and cash equivalents received in the current year from disposal of subsidiaries and other business units in prior years	<u>116,881,545.72</u>
Net cash received from disposal of subsidiaries and other business units	<u>359,598,012.55</u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**65. Supplementary information to the statement of cash flows (continued)**

**(4) Composition of cash and cash equivalents**

	2025	2024
Cash	<u>10,257,669,704.56</u>	<u>14,217,771,011.92</u>
whereof: cash on hand	40,059.90	213,970.02
Bank deposits available for immediate payment	10,255,481,469.64	14,217,508,443.88
Other monetary funds available for payment at any time	<u>2,148,175.02</u>	<u>48,598.02</u>
Of which: bond investments maturing within three months	-	-
Balance of cash and cash equivalents at the end of the year	<u>10,257,669,704.56</u>	<u>14,217,771,011.92</u>

**(5) Monetary funds that do not constitute cash and cash equivalents**

	2025	2024	Reasons
Allocated funds	250,000,000.00	-	Restricted escrow funds
Frozen funds	98,197,942.51	47,821,770.45	Frozen funds with restricted rights of use
Margin Securities funds	43,079,210.12	245,151,781.91	Restricted margin
	<u>-</u>	<u>160,069,160.79</u>	Restricted due to custody with a third-party securities institution.
Total	<u>391,277,152.63</u>	<u>453,042,713.15</u>	

**Mingyang Smart Energy Group Co., Ltd.**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**66. Foreign currency monetary items**

**(1) Foreign currency monetary items**

	Original Currency	Exchange rate	converted to RMB
<b>Cash and cash equivalents</b>			
US Dollar	224,607,843.34	7.0288	1,578,723,609.27
Euro	18,186,829.14	8.2355	149,777,631.38
Pounds Sterling	906,964.72	9.4346	8,556,849.35
Hong Kong dollars	8,241,944.38	0.9032	7,444,124.16
Danish Krone	443,991.26	1.1018	489,189.57
South Korean Won	1,473,465,023.00	0.0049	7,219,978.61
Vietnamese Dong	858,352,193.00	0.0003	257,505.66
Japanese Yen	96,086,730.00	0.0448	4,304,685.50
Real	1,522,447.12	1.2832	1,953,604.14
United Arab Emirates Dirham	938,418.06	1.9071	1,789,657.08
Serbian dinar	10,846,380.29	0.0704	763,585.17
Philippine Peso	57,447,116.79	0.1195	6,864,930.46
<b>Accounts Receivable</b>			
US Dollar	61,075,362.85	7.0288	429,286,510.40
Euro	1,363,733.17	8.2355	11,231,024.52
South Korean Won	950,000,000.00	0.0049	4,655,000.00
Vietnamese Dong	4,341,116,160.00	0.0003	1,302,334.85
Japanese Yen	9,986,303.00	0.0448	447,386.37
Real	108,799.68	1.2832	139,611.75
<b>Other receivables</b>			
US Dollar	2,139,289.67	7.0288	15,036,639.23
Euro	503,931.08	8.2355	4,150,124.41
Danish Krone	10,167.00	1.1018	11,202.00
South Korean Won	4,480,000.00	0.0049	21,952.00
Vietnamese Dong	1,306,731,027.00	0.0003	392,019.31
Real	405,096.00	1.2832	519,819.19
United Arab Emirates Dirham	99,155.00	1.9071	189,098.50
Serbian dinar	11,708,750.00	0.0704	824,296.00

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**66. Foreign Currency Monetary Items (continued)**

**(1) Foreign currency monetary items (continued)**

	Original Currency	Exchange rate	converted to RMB
Other payables			
US Dollar	174,372.76	7.0288	1,225,631.26
Euro	19,850.31	8.2355	163,477.23
Pounds Sterling	16,461.67	9.4346	155,309.27
Hong Kong dollars	1,181,193.03	0.9032	1,066,853.54
Danish Krone	88,089.23	1.1018	97,056.71
South Korean Won	3,061,259.00	0.0049	15,000.17
Vietnamese Dong	17,650,600.00	0.0003	5,295.18
Japanese Yen	33,000.00	0.0448	1,478.40
Real	204,737.05	1.2832	262,718.58
United Arab Emirates Dirham	30,212.96	1.9071	57,619.14
Serbian dinar	228,993.36	0.0704	16,121.13
Accounts Payable			
US Dollar	24,452.87	7.0288	171,874.33
Euro	15,263,949.57	8.2355	125,706,256.68
Non-current liabilities due within one year			
Euro	2,722,000.00	8.2355	22,417,031.00
Long-term borrowings			
Euro	6,070,000.00	8.2355	49,989,485.00

**(2) Overseas operating entities**

- (1) Ming Yang Wind Power European R&D Center Aps, with its principal place of business located in Denmark and its functional currency being the Danish Krone.
- (2) Ming Yang Wind Power USA, Inc., with its principal place of business located in the United States and its functional currency being the US dollar.
- (3) Mingyang Wind Power (International) Co., Ltd., with its principal place of business in Hong Kong and its functional currency being the US dollar.
- (4) Mingyang Holdings (Singapore) Pte. Ltd., with its principal place of business in Singapore and the functional currency being the United States dollar.
- (5) China Intelligent Electrical Group Limited, with its principal place of business in Hong Kong and functional currency in US dollars.
- (6) Rueneng Intelligence Holdings Limited, with its principal place of business in Hong Kong and functional currency in US dollars.
- (7) Mingyang Smart Energy (Dubai) Co., Ltd., whose principal place of business is located in the United Arab Emirates, with its functional currency being the Dirham.
- (8) Mingyang New Energy Holdings (Cyprus) Limited, whose principal place of business is in Cyprus and whose functional currency is the Euro.
- (9) Mingyang Europe Business and Engineering Centre, primarily operating in Hamburg, Germany, with the Euro as its functional currency.

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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(10) Mingyang Smart Energy (BVI) Co., Ltd., whose principal place of business is located in the British Virgin Islands, with the functional currency being the United States dollar.

**V. Notes to the Consolidated Financial Statements (continued)**

**66. Foreign Currency Monetary Items (continued)**

**(2) Overseas operating entities (continued)**

(11) Mingyang Smart Energy Korea Co., Ltd. is primarily located in the Republic of Korea, with its functional currency being the Korean Won.

(12) Mingyang UK New Energy Co., Ltd., whose principal place of business is in the United Kingdom and whose functional currency is the RMB.

(13) Mingyang Smart Energy (Brazil) Co., Ltd., whose principal place of business is located in Brazil and whose functional currency is the Brazilian Real.

(14) Mingyang Italy (Shares) Co., Ltd., whose principal place of business is in Italy, has the RMB as its functional currency.

(15) Mingyang New Energy Japan Co., Ltd. has its principal place of business in Japan and its functional currency is the Japanese Yen.

(16) Mingyang Smart Energy Philippines Company, whose principal place of business is in the Philippines and whose functional currency is the RMB.

(17) Mingyang Smart Energy Vietnam Co., Ltd. has its principal place of business in Vietnam and uses the RMB as its functional currency.

(18) Mingyang New Energy (International) Co., Ltd., with its principal place of business in Hong Kong and its functional currency being the RMB.

(19) Mingyang Smart Energy (Serbia) Co., Ltd., whose principal place of business is located in Serbia and whose functional currency is the Serbian Dinar.

At the end of the reporting period, when preparing consolidated financial statements, the Company has translated amounts into RMB using applicable exchange rates. The foreign currency translation differences arising from the translation of financial statements are presented in other comprehensive income.

**67. Leases**

**(1) As a lessee**

	2025	2024
Interest expense on lease liabilities	41,675,303.30	27,622,854.85
Short-term lease expenses recognised in profit or loss under the simplified approach	46,615,576.47	42,107,987.63
Lease expenses for low-value assets accounted for using the simplified approach recognised in profit or loss (excluding short-term leases)	459,725.92	581,600.22
Total cash outflows related to leases	613,049,228.98	211,501,172.84

The leased assets of the Group include buildings and structures, machinery and equipment, transport equipment, electronic equipment and others used in the course of operations. The lease terms for buildings and structures and machinery and equipment are typically one to five years, whereas the lease terms for transport equipment and other equipment are typically one to two years.

Right-of-use assets, see Note V.19; simplified accounting for short-term leases and leases of low-value assets, see Note III.30; lease liabilities, see Note V.37.

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**V. Notes to Significant Items in the Consolidated Financial Statements (continued)**

**67. Leases (continued)**

**(2) As a lessor**

The Group leases its properties and buildings and machinery and equipment for operating lease purposes, with lease terms ranging from one to five years. Given the anticipated existence of a secondary market, the residual value risk associated with the leased assets is not significant.

Operating lease

The profit or loss relating to operating leases is presented as follows:

	2025r	2024
Rental income	<u>28,938,704.66</u>	<u>11,171,929.75</u>

Pursuant to the lease agreements entered into with lessees, the undiscounted minimum lease payments are as follows:

	2025	2024
Within 1 year (inclusive)	3,710,840.28	7,727,718.91
1 to 2 years (inclusive of 2 years)	3,312,529.14	2,785,290.28
2 to 3 years (inclusive of 3 years)	3,298,779.12	529,554.00
3 to 4 years (inclusive of 4 years)	1,872,476.64	-
4 to 5 years (inclusive of 5 years)	<u>273,888.00</u>	<u>-</u>
Total	<u>12,468,513.18</u>	<u>11,042,563.19</u>

Investment properties and fixed assets leased under operating leases are disclosed in Note V.16 and Note V.17 respectively.

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**VI. Research and Development Expenditure**

**1. Presented by nature**

	2025	2024
Employee benefits	513,369,696.82	508,570,392.53
Depreciation and amortisation	238,250,775.45	196,458,616.20
Consumption of materials	107,525,294.57	49,615,678.21
Professional fees for design, inspection, and certification	133,547,424.91	155,758,356.97
Travel expenses	29,191,909.35	35,928,906.80
Other	<u>88,327,284.20</u>	<u>157,286,846.14</u>
<b>Total</b>	<u><b>1,110,212,385.30</b></u>	<u><b>1,103,618,796.85</b></u>
Of which: R&D expenditure expensed	769,662,794.44	562,581,054.65
Capitalised research and development expenditure	340,549,590.86	541,037,742.20

**2. Development expenditure on R&D projects meeting capitalisation criteria**

	Opening balance	Additions for the current year		Decrease for the year	Balance at year-end
		Internal development	Other additions	Confirmation of intangible assets	
Research and development of complete machines and components, as well as improvements	212,466,650.24	279,967,074.34	-	106,720,118.32	385,713,606.26
Research and development of photovoltaic products and their improvement	5,512,203.59	20,552,559.25	-	-	26,064,762.84
Other	<u>9,029,761.72</u>	<u>40,029,957.27</u>	<u>7,592,657.42</u>	<u>4,935,538.24</u>	<u>51,716,838.17</u>
<b>Total</b>	<u><b>227,008,615.55</b></u>	<u><b>340,549,590.86</b></u>	<u><b>7,592,657.42</b></u>	<u><b>111,655,656.56</b></u>	<u><b>463,495,207.27</b></u>

The significant capitalised research and development projects are as follows:

	R&D Progress	Estimated completion date	Expected manner of generating economic benefits	The point at which capitalisation commences	Specific basis for commencing
R&D and improvement of 8-10MW wind turbines	Development Phase	2026/7/31	Mass production for external sale	2023/8/3	Detailed Design Review
R&D and improvement of 16-18MW wind turbines	Development Phase	2026/9/30	Mass production for external sale	2023/9/4	Detailed Design Review

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**VI. Research and Development Expenditure (continued)**

**2. Development expenditure on R&D projects meeting capitalisation criteria (continued)**

The movement in the provision for impairment of development expenditure on research and development projects meeting capitalisation criteria is as follows:

	Opening balance	Additions for the current year	Decrease for the year	Closing balance
Research and development and improvement of wind turbine components	6,439,094.16	-	6,439,094.16	-
Intelligent Microgrid R&D Project	8,298,867.26	-	8,298,867.26	-
R&D and improvement of 4MW wind turbines	2,268,794.94	-	-	2,268,794.94
Development of key technologies for hydrogen production by water electrolysis	<u>16,086,959.13</u>	<u>-</u>	<u>-</u>	<u>16,086,959.13</u>
Total	<u>33,093,715.49</u>	<u>-</u>	<u>14,737,961.42</u>	<u>18,355,754.07</u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**VII. Changes in the Scope of Consolidation**

**1. Business combinations not under common control**

**(1) Business combinations not under common control occurring in the current year**

	Point of acquisition of equity	Cost of acquisition of equity interests	Percentage of equity acquired (%)	Method of acquisition of equity	Acquisition date	Basis for determining the acquisition date	Revenue of the acquiree from the acquisition date to the end of the year	Net profit of the acquiree from the acquisition date to the end of the year	Net cash flow of the acquiree from the acquisition date to the end of the year
Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd.	February 2025	9,139,300.00	30.66	Cash purchase	February 2025	Completion of the transfer of control	14,454,269.48	(4,962,707.74)	1,562,298.80
Chengde County Shantai Jieyuan Steel Structure Co., Ltd.	November 2025	20,400,000.00	51.00	Cash purchase	November 2025	Completion of the transfer of control	-	(565,802.00)	172,812.10

In February 2025, the Group acquired a 30.66% equity interest in Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd. ("Wuxi Hydrogen Combustion") for cash consideration of RMB 9,139,300.00. Following this transaction, the Group held a 75.25% equity interest in Wuxi Hydrogen Combustion and obtained control thereof. The acquisition date was determined to be 28 February 2025.

In November 2025, the Group acquired a 51.00% equity interest in Chengde Shantai Jieyuan Steel Structure Co., Ltd. ("Chengde Shantai") for cash consideration of RMB 20,400,000.00. Following this transaction, the Group held 100.00% of the equity in Chengde Shantai and obtained control. The acquisition date was determined to be 30 November 2025.

**(2) Consideration transferred and goodwill**

**Wuxi Hydrogen Combustion**

	Fair value	Carrying amount
Cash	9,139,300.00	9,139,300.00
The fair value of the equity interest held prior to the acquisition date as at the acquisition date	<u>7,789,519.81</u>	<u>7,789,519.81</u>
Total consideration for the business combination	<u>16,928,819.81</u>	<u>16,928,819.81</u>
Less: Share of the fair value of identifiable net assets acquired	<u>10,656,144.64</u>	
Goodwill	<u>6,272,675.17</u>	

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**VII. Changes in the Scope of Consolidation (continued)**

**1. Business combinations not under common control (continued)**

**(2) Consideration transferred and goodwill (continued)**

Chengde Shantai

	Fair value	Carrying amount
Cash	20,400,000.00	20,400,000.00
The fair value of the equity interest held prior to the acquisition date as at the acquisition date	<u>19,600,000.00</u>	<u>13,571,098.82</u>
Total consideration for the business combination	<u>40,000,000.00</u>	<u>33,971,098.82</u>
Less: Share of the fair value of identifiable net assets acquired	<u>27,696,120.06</u>	
Goodwill	<u>12,303,879.94</u>	

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**VII. Changes in the Scope of Consolidation (continued)**

**1. Business combinations not under common control (continued)**

**(3) Identifiable assets and liabilities of the acquiree as at the acquisition date**

Wuxi Hydrogen Combustion

	Fair value at the acquisition date	Carrying amount at the acquisition date
Cash and cash equivalents	595,805.93	595,805.93
Prepayments	2,331,847.02	2,331,847.02
Other receivables	2,818,117.79	2,818,117.79
Inventories	7,977,417.82	7,977,417.82
Other current assets	1,609,404.15	1,609,404.15
Other equity instruments	4,000,000.00	4,000,000.00
Fixed assets	8,056,427.16	8,056,427.16
Construction in progress	616,208.37	616,208.37
Intangible assets	10,774.13	10,774.13
Development expenditure	7,592,657.42	7,592,657.42
Long-term deferred expenses	127,258.97	127,258.97
Short-term borrowings	15,608,716.44	15,608,716.44
Accounts Payable	367,623.02	367,623.02
Advances from Customers	628,000.00	628,000.00
Taxes payable	2,679.52	2,679.52
Other payables	4,967,157.44	4,967,157.44
Net Assets	<u>14,161,742.34</u>	<u>14,161,742.34</u>
Less: Non-controlling interests	<u>3,505,597.70</u>	<u>3,505,597.70</u>
Net assets acquired	<u><u>10,656,144.64</u></u>	<u><u>10,656,144.64</u></u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**VII. Changes in the Scope of Consolidation (continued)**

**1. Business combinations not under common control (continued)**

**(3) Identifiable assets and liabilities of the acquiree as at the acquisition date (continued)**

Chengde Shantai

	Fair value at the acquisition date	Carrying amount at the acquisition date
Cash and cash equivalents	29,124.23	29,124.23
Prepayments	4,733,082.50	4,733,082.50
Other receivables	20,722.75	20,722.75
Inventories	8,391,978.07	8,391,978.07
Fixed Assets	82,455,601.02	82,455,601.02
Construction in Progress	2,264,309.73	2,264,309.73
Intangible assets	25,780,875.00	25,780,875.00
Other non-current assets	6,868,076.41	6,868,076.41
Accounts Payable	247,842.49	247,842.49
Contract liabilities	18,109,712.43	18,109,712.43
Other payables	18,891,090.27	18,891,090.27
Non-current liabilities due within one year	15,000,000.00	15,000,000.00
Long-term borrowings	<u>50,599,004.46</u>	<u>50,599,004.46</u>
Net Assets	<u>27,696,120.06</u>	<u>27,696,120.06</u>
Net assets acquired	<u>27,696,120.06</u>	<u>27,696,120.06</u>

**(4) Gains or losses arising from the remeasurement of equity interests held prior to the acquisition date at fair value**

	The acquisition date of the equity interest originally held prior to the purchase date	Percentage of equity interest held prior to the acquisition date (%)	The acquisition cost of the equity interest originally held prior to the date of purchase	The method of acquisition of the equity interest held prior to the purchase
Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd.	October 2023	44.59	9,000,000.00	Cash contribution
Chengde County Shantai Jieyuan Steel Structure Co., Ltd.	June 2023	49.00	19,600,000.00	Cash contribution
	The carrying amount of the equity interest held prior to the acquisition date as at the acquisition date	The fair value of the equity interest held prior to the acquisition date on the acquisition date	Gains or losses arising from the remeasurement of the previously held equity interest to fair value before the acquisition date	The method and key assumptions used to determine the fair value of the equity interest held prior to the acquisition date as at the acquisition date
Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd.	7,789,519.81	7,789,519.81	-	Consideration for the transaction
Chengde County Shantai Jieyuan Steel Structure Co., Ltd.	13,571,098.82	19,600,000.00	6,028,901.18	Consideration for the transaction
				-

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**VII. Changes in the Scope of Consolidation (continued)**

**2. Disposal of subsidiaries**

	The point in time at which control is lost	Consideration on disposal at the point of loss of control	Disposal percentage at the point of loss of control (%)	Disposal method at the point of loss of control	Criteria for determining the point at which control is lost	The difference between the disposal consideration and the share of the net assets of that subsidiary recognised in the consolidated financial statements attributable to the investment disposed of.
Zhangjiagang Nuode Mingzhi New Energy Co., Ltd.	2025/3/11	-	100.00	Disposal	Completion of the equity transfer procedures	-
Taonan Baiqiang New Energy Co., Ltd.	2025/3/27	96,830,100.00	100.00	Disposal	Completion of the equity transfer procedures	78,998,961.50
Haixi Dexinyang New Energy Co., Ltd.	2025/5/9	5,999,300.00	60.00	Disposal	Completion of the equity transfer procedures	942,782.81
Qianyang County Mingyang New Energy Co., Ltd.	2025/7/29	-	100.00	Disposal	Completion of the equity transfer procedures	-
Xilin Gol League Hengyang New Energy Co., Ltd.	2025/11/14	999,850.70	100.00	Disposal	Completion of the equity transfer procedures	44,892,148.72
	Percentage of remaining equity interest on the date control is lost (%)	The carrying amount of the remaining equity interest at the date control is lost in the consolidated financial statements	The fair value of the remaining equity interest at the date control is lost in the consolidated financial statements	Gains or losses arising from the remeasurement of the remaining equity interest at fair value	Methodology and key assumptions for determining the fair value of the remaining equity interest at the date control is lost, from the perspective of consolidated financial statements	The amount of other comprehensive income related to equity investments in subsidiaries transferred to investment profit or loss or retained earnings.
Zhangjiagang Nuode Mingzhi New Energy Co., Ltd.	-	-	-	-	Not applicable	-
Taonan Baiqiang New Energy Co., Ltd.	-	-	-	-	Not applicable	-
Haixi Dexinyang New Energy Co., Ltd.	-	-	-	-	Not applicable	-
Qianyang County Mingyang New Energy Co., Ltd.	-	-	-	-	Not applicable	-
Xilingol League Hengyang New Energy Co., Ltd.	-	-	-	-	Not applicable	-

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**VII. Changes in the Scope of Consolidation (continued)**

**2. Disposal of subsidiaries (continued)**

The financial information relating to the disposal date is presented as follows:

	Zhangjiagang Nuode Mingzhi New Energy Co., Ltd.	Taonan Baiqiang New Energy Co., Ltd.	Haixi Dexinyang New Energy Co., Ltd.	Qianyang County Mingyang New Energy Co., Ltd.	Xilin Gol League Hengyang New Energy Co., Ltd.
Current assets	-	40,214,381.49	6,570,881.23	2,491,399.35	566,548,819.70
Non-current assets	-	343,667,950.42	7,934,528.67	4,778,798.65	220,328,382.28
Current liabilities	-	366,051,193.41	9,448,892.71	7,270,198.00	830,769,500.00

**3. Changes in the scope of consolidation due to other reasons**

**(1) Newly established subsidiaries in the current period**

The following subsidiaries were newly established during the current period:

<b>the Company Name</b>	<b>Date of Establishment</b>
Zaozhuang Mingyang Intelligent Technology Development Co., Ltd.	10 April 2025
Zhongshan Mingyang Smart Energy Technology Co., Ltd.	4 December 2025
Turpan Yueyang Ruixiang New Energy Power Generation Co., Ltd.	1 April 2025
Dalian Mingyang Green Energy New Energy Co., Ltd.	22 December 2025
Ulanqab Mingyang New Energy Equipment Co., Ltd.	26 December 2025
Guangdong Mingyang Jinpiao Technology Co., Ltd.	9 January 2025
Shandong Mingyang Tower New Energy Technology Co., Ltd.	23 April 2025
Mingyang Green Energy Chemical Technology (Gushi County) Co., Ltd.	18 April 2025
Mingyang Intelligent (Zhongning County) New Energy Development Co., Ltd.	26 June 2025
Mingyang Intelligent (Zhongwei City) New Energy Development Co., Ltd.	24 June 2025
Hainan Yangpu Mingyang Offshore Wind Power Technology Co., Ltd.	19 December 2025
Guangxi Defeng Technology Co., Ltd.	2 April 2025
Daqing Mingyang New Energy Chemical Technology Co., Ltd.	14 April 2025
Mingyang Tiancheng Smart Energy Technology (Shanghai) Co., Ltd.	11 April 2025
Mingyang Ruixiang (Qingdao) New Energy Co., Ltd.	30 September 2025
Wenxian Minghui New Energy Co., Ltd.	10 January 2025
Jieyang Shengyang New Energy Co., Ltd.	17 September 2025
Yangjiang Shengyang New Energy Co., Ltd.	11 March 2025
Tianjin Juyang New Energy Co., Ltd.	20 January 2025
Xinjiang Mingrui New Energy Power Generation Co., Ltd.	29 July 2025
Turpan Xinxiang New Energy Power Generation Co., Ltd.	24 April 2025
Turpan Xinsheng New Energy Power Generation Co., Ltd.	9 May 2025
Xinjiang Ruida Xinyang New Energy Industry Co., Ltd.	12 June 2025

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**VII. Changes in the Scope of Consolidation (continued)**

**3. Changes in the scope of consolidation due to other reasons (continued)**

**(2) New Subsidiaries Established in the Current Period (continued)**

<b>the Company Name</b>	<b>Date of Incorporation</b>
Turpan Xinyue New Energy Power Generation Co., Ltd.	24 April 2025
Hamirun Yue New Energy Power Generation Co., Ltd.	1 April 2025
Hami Yuesheng New Energy Power Generation Co., Ltd.	2 April 2025
Turpan Xinchu New Energy Power Generation Co., Ltd.	28 May 2025
Turpan Xinyang Ruiyou New Energy Power Generation Co., Ltd.	19 May 2025
Turpan Xinyang Ruijing New Energy Power Generation Co., Ltd.	25 April 2025
Turpan Xinyang Ruijin New Energy Power Generation Co., Ltd.	19 May 2025
Turpan Xinhan New Energy Power Generation Co., Ltd.	28 May 2025
Turpan Xinyang Ruiren New Energy Power Generation Co., Ltd.	19 May 2025
Xinjiang Ruisheng Xinyang New Energy Development Co., Ltd.	21 April 2025
Turpan Xinyang Ruiyu New Energy Power Generation Co., Ltd.	19 May 2025
Turpan Xinqing New Energy Power Generation Co., Ltd.	28 May 2025
Turpan Xinge New Energy Power Generation Co., Ltd.	28 May 2025
Ruifeng (Tangshan) New Energy Co., Ltd.	20 November 2025
Tieling Mingyang New Energy Co., Ltd.	24 April 2025
Xinjiang Xinyang Ruineng New Energy Power Generation Co., Ltd.	30 June 2025
Zhongshan Mingyang Marine Enterprise Management Partnership (Limited Partnership)	22 August 2025
Daya Minglei New Energy Co., Ltd.	11 July 2025
Handan Yongnian District Mingyang Smart Wind Power Generation Co., Ltd.	10 February 2025
Guangdong Ruiyuan Electric Co., Ltd.	22 January 2025
Zhangjiakou Mingyang Clean Energy Co., Ltd.	10 January 2025
Zhangjiakou Yunjie New Energy Co., Ltd.	14 January 2025
Zaozhuang Yicheng District Yuneng New Energy Co., Ltd.	12 March 2025
Zaozhuang Yicheng District Mingzhi Wind Power Generation Co., Ltd.	24 March 2025
Tianjin Xiqing District Jieyuan Yunneng Trading Co., Ltd.	24 June 2025
Tianjin Xiqing District Nengdong Mingyang Trading Co., Ltd.	25 June 2025
Harbin Runyang New Energy Co., Ltd.	29 December 2025
Guangdong Feihai Pastoral and Fishery Co., Ltd.	10 September 2025
Longsheng Guangjie New Energy Co., Ltd.	11 April 2025
Qinzhou Jieyuan New Energy Co., Ltd.	7 August 2025
Guangdong Mingyang Film Technology Co., Ltd. Jiangsu Branch	24 November 2025
Mingyang Smart Energy Australia Limited	31 July 2025
Mingyang Turkey Energy Co., Ltd.	30 October 2025
Pingle Mingjie New Energy Co., Ltd.	12 February 2025
Shaanxi Yuanpai New Energy Co., Ltd.	7 July 2025
Jingbian County Jieyang New Energy Power Generation Co., Ltd.	17 October 2025

**Mingyang Smart Energy Group Co., Ltd.**  
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**VII. Changes in the Scope of Consolidation (continued)**

**3. Changes in the scope of consolidation due to other reasons (continued)**

**(3) Deregistration of subsidiaries during the current period**

The information regarding the subsidiaries deregistered in this period is as follows:

<b>the Company Name</b>	<b>Date of Cancellation</b>
Horqin Left Middle Banner Mingyang Smart Energy Co., Ltd.	18 September 2025
Duolun County Chaoneng Energy Technology Co., Ltd.	27 August 2025
Zarute Qi Mingyang Smart Energy Co., Ltd.	19 September 2025
Bazhou New Energy Industrial Co., Ltd.	20 November 2025
Guanxian Mingneng New Energy Power Generation Co., Ltd.	23 June 2025
Henan Mingyang Solar Energy Technology Co., Ltd.	14 February 2025
Minqin County Jinjuhui Intelligent Electrical Equipment Co., Ltd.	21 April 2025
Mingyang PuHui New Energy Co., Ltd.	15 May 2025
Mingyang New Material Technology (Shanwei) Co., Ltd.	21 November 2025
Jilin Mingyang Tianyun New Energy Co., Ltd.	17 June 2025
Suzhou Yanbiao New Energy Co., Ltd.	31 July 2025
Jingtai Mingyang Smart Energy Technology Co., Ltd.	2 July 2025
Cangzhou Bohai New District Mingtuo Wind and Solar Power Generation Co., Ltd.	17 June 2025
Qian'an Mingyang Zhenghao Chemical Co., Ltd.	17 June 2025
Mingyang Smart (Wuzhong) Wind Power Generation Co., Ltd.	7 February 2025
Cangzhou Bohai New Area Mingtuo New Energy Development Co., Ltd.	18 June 2025
Qian'an Mingyang Wind and Solar Power Generation Co., Ltd.	17 June 2025
Cangzhou Bohai New District Mingtuo Zhengyang Chemical Co., Ltd.	17 June 2025
Otog Banner Mingyang New Energy Co., Ltd.	16 September 2025
Guangxi Liyang New Energy Technology Co., Ltd.	17 July 2025
Shanghai Deyisen New Energy Technology Co., Ltd.	9 May 2025
Xinxian Mingzhi New Energy Development Co., Ltd.	10 September 2025
Mingyang Smart Energy (Siyang) Co., Ltd.	5 August 2025
Jilin Ruiyangcheng Innovative New Energy Equipment Co., Ltd.	13 August 2025
Benxi Mingzhi New Energy Co., Ltd.	1 July 2025
Arxkang Yuehong New Energy Co., Ltd.	18 April 2025
Tongliao Smart Energy Research Co., Ltd.	21 April 2025
Xilinhot Haoyang New Energy Co., Ltd.	13 October 2025
Tai'an Mingtai New Energy Co., Ltd.	14 May 2025
Hongjiang Xinyang New Energy Co., Ltd.	31 July 2025
Lingshan Boyang New Energy Technology Co., Ltd.	14 July 2025
Hongjiang Mingyang New Energy Co., Ltd.	14 July 2025
Tangshan Guye District Qirun New Energy Co., Ltd.	23 September 2025
Dongguan Ruixing Photovoltaic Energy Co., Ltd.	30 December 2025

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**VII. Changes in the Scope of Consolidation (continued)**

**3. Changes in the scope of consolidation due to other reasons (continued)**

**(4) Deregistration of Subsidiaries in the Current Period (continued)**

<b>the Company's Name</b>	<b>Date of cancellation</b>
Chengde County Chengrun New Energy Co., Ltd.	15 September 2025
Baotou Yibo Energy Service Co., Ltd.	25 June 2025
Shangqiu Mingyang New Energy Technology Co., Ltd.	12 September 2025
Huozhou Mingyang New Energy Co., Ltd.	10 April 2025
Turpan Jieyuan Energy Co., Ltd.	6 May 2025
Fuxin Jieyuan Wind Power Generation Co., Ltd.	30 December 2025
Liaoning Mingyang Smart Energy Co., Ltd.	13 June 2025
Kaifeng Mingshun Energy Technology Co., Ltd.	11 August 2025
Inner Mongolia Runyang Dassault Energy Technology Co., Ltd.	30 September 2025
Inner Mongolia Mingyang Dassou Energy Technology Co., Ltd.	15 August 2025
Baotou Shi Yuan Boneng Power Sales Co., Ltd.	22 May 2025
Suzhou Yongqiao Runyi Wind Power Generation Co., Ltd.	4 December 2025
Yingkou Shan'an Mingyang Green Energy Co., Ltd.	22 October 2025

**Mingyang Smart Energy Group Co., Ltd.**  
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**VIII. Interests in Other Entities**

**1. Interests in subsidiaries**

**(1) Composition of the Group**

Significant subsidiaries

	Principal place of business	Registered Address	Nature of Business	Registered Capital ('0000)	Shareholding percentage (%)	
					Direct	Indirect
Subsidiaries acquired through establishment or investment						
Guangdong Mingyang New Energy Technology Co., Ltd.	Yangjiang City, Guangdong Province	Yangjiang City, Guangdong Province	Manufacturing of wind power equipment	49,200.00	99.80	0.20
Beijing Jieyuan New Energy Investment Co., Ltd.	Beijing Baotou City, Inner Mongolia	Beijing Baotou City, Inner Mongolia	Investment and Asset Management	119,821.46	82.00	-
Inner Mongolia Mingyang New Energy Development Co., Ltd.	Yangjiang City, Guangdong Province	Yangjiang City, Guangdong Province	Heat production and supply	95,600.00	100.00	-
Yangjiang Mingyang Yunhua Offshore Wind Power Development Co., Ltd.	Yangjiang City, Guangdong Province	Yangjiang City, Guangdong Province	Wind power development and operation	175,086.00	100.00	-
Mingyang Smart Energy Group Beijing Technology Co., Ltd.	Beijing Turfan City, Xinjiang Uygur Autonomous Region	Beijing Turfan City, Xinjiang Uygur Autonomous Region	Technical Development and Services	30,000.00	100.00	-
Turpan Yue Xiang Energy Co., Ltd.	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Manufacture of wind power prime movers	20,000.00	100.00	-
Guangdong Mingyang New Energy Materials Technology Co., Ltd.	Baotou City, Inner Mongolia	Baotou City, Inner Mongolia	Manufacture of other special-purpose machinery	5,000.00	100.00	-
Mingyang New Energy Onshore Equipment Headquarters Group Co., Ltd.	Baotou City, Inner Mongolia	Baotou City, Inner Mongolia	Manufacture of wind power prime movers	30,000.00	100.00	-
Tianjin Mingyang Wind Power Blade Technology Co., Ltd.	Tianjin City	Tianjin City	Manufacture of wind turbine blades	7,200.00	100.00	-
Qinghai Mingyang New Energy Co., Ltd.	Delingha City, Haixi Mongol and Tibetan Autonomous Prefecture, Qinghai Province	Delingha City, Haixi Mongol and Tibetan Autonomous Prefecture, Qinghai Province	Manufacturing of wind power equipment	31,250.00	100.00	-
Xilin Gol League Mingyang New Energy Co., Ltd.	Xilinhot City, Xilingol League, Inner Mongolia Autonomous Region	Xilinhot City, Xilingol League, Inner Mongolia Autonomous Region	Manufacturing of wind power equipment	10,000.00	100.00	-
Henan Mingyang Smart Energy Co., Ltd.	Xinyang City, Henan Province	Xinyang City, Henan Province	Manufacturing of wind power equipment	60,000.00	100.00	-
Henan Mingyang New Energy Co., Ltd.	Xinyang City, Henan Province	Xinyang City, Henan Province	Energy project development	30,000.00	100.00	-
Guangdong Mingyang Photovoltaic Industry Co., Ltd.	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Sales Platform Company	10,000.00	100.00	-
Daqing Mingyang Smart Energy Co., Ltd.	Daqing City, Heilongjiang Province	Daqing City, Heilongjiang Province	Manufacturing of wind power equipment	1,000.00	100.00	-
Mingyang Northern Smart Energy (Inner Mongolia) Co., Ltd.	Baotou City, Inner Mongolia Autonomous Region	Baotou City, Inner Mongolia Autonomous Region	Manufacturing of wind power equipment	10,000.00	100.00	-
Yunnan Mingyang New Energy Co., Ltd.	Binchuan County, Dali Bai Autonomous Prefecture, Yunnan Province	Binchuan County, Dali Bai Autonomous Prefecture, Yunnan Province	Manufacture of wind turbine blades	5,000.00	-	100.00
Zhongshan Ruikou New Energy Co., Ltd.	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Manufacture of photovoltaic products	32,805.31	-	60.37
Wuhai Mingyang New Energy Co., Ltd.	Wuhai City, Inner Mongolia Autonomous Region	Wuhai City, Inner Mongolia Autonomous Region	Wind power development and operation	2,600.00	-	100.00
Tianjin Mingzhi Runyang Technology Co., Ltd.	Tianjin City	Tianjin City	Engineering design and construction	3,000.00	-	100.00
Xinyang Mingqi New Energy Co., Ltd.	Xinyang City, Henan Province	Xinyang City, Henan Province	Sales of wind power equipment	500.00	-	100.00

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**VIII. Interests in Other Entities(continued)**

**1. Interests in subsidiaries(continued)**

**(1) Composition of the Group(continued)**

Significant subsidiaries

	Principal place of business	Registered Address	Nature of Business	Registered Capital ('0000)	Shareholding percentage (%)	
					Direct	Indirect
Shenzhen Liangyun Energy Network Technology Co., Ltd.	Shenzhen City, Guangdong Province	Shenzhen City, Guangdong Province	Software and Technical Services Development and sale of wind power equipment	12,660.11	-	92.81
Tianjin Mingyang Ruiyuan Energy Storage Technology Co., Ltd.	Tianjin City	Tianjin City	Manufacture of photovoltaic products	5,000.00	-	100.00
Jiangsu Ruisheng Optoelectronics Technology Co., Ltd.	Yancheng City, Jiangsu Province	Yancheng City, Jiangsu Province	Manufacture of photovoltaic products	18,000.00	-	100.00
Guangdong Mingyang Smart Energy Co., Ltd.	Shaoguan City, Guangdong Province	Shaoguan City, Guangdong Province	Manufacture of photovoltaic products	20,000.00	-	100.00
Shaanjing Jingbian Mingyang New Energy Power Generation Co., Ltd.	Yulin City, Shaanxi Province	Yulin City, Shaanxi Province	Wind power development and operation	44,089.00	-	100.00
Subsidiaries acquired through business combinations not under common control						
Xinjiang Wanbang Energy Development Co., Ltd.	Urumqi County, Xinjiang Uygur Autonomous Region	Urumqi County, Xinjiang Uygur Autonomous Region	Wind power development and operation	12,000.00	100.00	-
Xinjiang Huaran New Energy Co., Ltd.	Daban District, Urumqi City, Xinjiang Uygur Autonomous Region	Daban District, Urumqi City, Xinjiang Uygur Autonomous Region	Wind power development and operation	10,000.00	100.00	-
Hongrun (Huanghua) New Energy Co., Ltd.	Huanghua City, Cangzhou, Hebei Province	Huanghua City, Cangzhou, Hebei Province	Wind power development and operation	521.00	-	80.81
Beijing Zhongheng Guangao Construction Engineering Co., Ltd.	Beijing	Beijing	Engineering design and construction	4,200.00	-	100.00
Subsidiaries acquired through business combinations under common control						
Ruidexinyang New Energy Technology Co., Ltd.	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Manufacture of photovoltaic products	68,833.76	93.32	-
Tianjin Ruiyuan Electric Co., Ltd.	Tianjin City	Tianjin City	Development and sale of wind power equipment	15,476.30	71.08	14.52
Guangdong Mingyang Longyuan Power Electronics Co., Ltd.	Zhongshan City, Guangdong Province	Zhongshan City, Guangdong Province	Development and sale of wind power equipment	10,000.00	-	100.00

Note: The selection criteria for significant subsidiaries in this table are as follows: subsidiaries with any single financial indicator (total of seven items including assets, liabilities, equity, revenue and profit) accounting for more than 5% of the Group's consolidated audited figures shall be included; to maintain disclosure continuity, subsidiaries disclosed in the previous period but failing to meet the threshold in the current period shall be retained; subsidiaries disposed of or deregistered by the end of 2025 shall be excluded.

**(2) Subsidiaries with significant non-controlling interests**

	Percentage shareholding of minority shareholders (%)	Profit or loss attributable to non-controlling interests	Payment of dividends to minority shareholders	Accumulated minority interests at the end of the year
Beijing Jieyuan New Energy Investment Co., Ltd.	18.003	36,613,982.09	48,572,100.00	872,563,123.90

**Mingyang Smart Energy Group Co., Ltd.**  
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**VIII. Interests in Other Entities (continued)**

**1. Interests in subsidiaries (continued)**

**(3) Principal financial information of subsidiaries with material non-controlling interests**

The table below sets out the principal financial information of the aforementioned subsidiaries. These figures represent the amounts prior to intercompany elimination within the Group:

2025

	Beijing Jieyuan New Energy Investment Co., Ltd.
Current assets	4,896,970,191.24
Non-current assets	<u>5,585,617,342.97</u>
Total Assets	10,482,587,534.21
Current liabilities	3,263,718,357.18
Non-current liabilities	<u>2,243,186,141.70</u>
Total Liabilities	5,506,904,498.88
Operating Revenue	1,491,710,569.09
Net profit	212,146,873.03
Total comprehensive income	212,146,873.03
Net cash flow from operating activities	267,665,037.14

2024

	Beijing Jieyuan New Energy Investment Co., Ltd.
Current assets	4,018,557,758.81
Non-current assets	<u>6,044,021,077.26</u>
Total Assets	<u>10,062,578,836.07</u>
Current liabilities	2,331,571,181.06
Non-current liabilities	<u>2,721,006,979.44</u>
Total Liabilities	<u>5,052,578,160.50</u>
Operating Revenue	614,365,125.96
Net profit	317,969,853.45
Total comprehensive income	317,969,853.45
Net cash flow from operating activities	60,848,075.27

**Mingyang Smart Energy Group Co., Ltd.**  
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**VIII. Interests in Other Entities (continued)**

**2. Transactions in which the share of equity interest in a subsidiary changes without affecting control**

- (1) In May 2025, the Company entered into a share transfer agreement with Wuxi Innovation and Entrepreneurship Angel Investment Guidance Fund (Limited Partnership), pursuant to which it agreed to acquire 0.6556% of the equity interest in its subsidiary, Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd. ('Wuxi Hydrogen Combustion'). As at 31 December 2025, the share transfer agreement had been fully executed, and the Company's holding increased from 75.25% to 75.9056%. The transaction resulted in a decrease of minority interests by RMB 77,812.80 and a decrease of capital reserves by RMB 2,172,409.42.
- (2) The Company originally held a 67% equity interest in Xinjiang Huaran New Energy Co., Ltd. (hereinafter referred to as "Xinjiang Huaran"). In 2025, the Company entered into a share transfer agreement with another shareholder, an individual named Chen Jinghua, pursuant to which it acquired the remaining 33% equity interest in Xinjiang Huaran for RMB 12,000,000.00. As of 31 December 2025, the share transfer agreement had been fully performed. This transaction resulted in a decrease of RMB 15,874,217.83 in non-controlling interests and an increase of RMB 3,874,217.84 in capital reserves within the consolidated financial statements.

**(1) Aggregate financial information of immaterial joint ventures and associates**

The table below sets out the aggregate financial information of associates and joint ventures that are not material to the Group:

	2025	2024
Associate		
Total carrying amount of investments	1,216,569,240.53	804,763,159.59
The aggregate amounts calculated based on shareholding percentages are as follows:		
Net profit	17,492,496.52	21,938,227.31
Other Comprehensive Income	-	-
Total comprehensive income	17,492,496.52	21,938,227.31

**Mingyang Smart Energy Group Co., Ltd.**  
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**IX. Government Grants**

**1. Liability items involving government grants**

	Opening balance	Additions in the current year	Included in the current year Other Income	Other movements	Year-end balance	Related to assets/income
Deferred Income	346,832,592.58	22,891,993.00	(64,747,044.62)	(2,635,000.00)	302,342,540.96	Asset-related
Deferred Income	16,201,018.96	1,395,600.00	(2,847,818.96)	-	14,748,800.00	Related to income
<b>Total</b>	<b>363,033,611.54</b>	<b>24,287,593.00</b>	<b>(67,594,863.58)</b>	<b>(2,635,000.00)</b>	<b>317,091,340.96</b>	

**IX. Government Grants (continued)**

**2. Government grants recognised in profit or loss for the current period**

	2025	2024
Government grants related to assets		
Included in other income	64,747,044.62	61,188,965.34
Government grants related to income		
Included in other income	65,168,646.32	95,721,977.15
<b>Total</b>	<b>129,915,690.94</b>	<b>156,910,942.49</b>

## **X. Risks Related to Financial Instruments**

### **1. Financial Instrument Risks**

The Group is exposed to various risks associated with financial instruments in the ordinary course of business, primarily credit risk, liquidity risk and market risk. The Group's risk management policy in this regard is outlined below.

The Group's objective in risk management is to achieve an appropriate balance between risk and return, with a view to minimising the adverse impact of financial risks on the Group's financial performance. Based on this risk management objective, the Group has established a risk management policy to identify and analyse risks faced by the Group, set appropriate levels of acceptable risk, and design corresponding internal control procedures to monitor the risk level of the Group. The Group regularly reviews these risk management policies and the related internal control systems to adapt to changes in market conditions or the Group's business activities. The Group's internal audit department also periodically or randomly examines whether the implementation of the internal control system complies with risk management policies.

The Board is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Group has established risk management policies to identify and analyse the risks faced by the Group. These policies provide specific provisions for particular risks and cover numerous aspects including market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and its own operations to determine whether updates are required to risk management policies and systems. Risk management within the Group is conducted by relevant departments in accordance with policies approved by the Board of Directors. These departments identify, assess and mitigate relevant risks through close collaboration with other business units of the Group. The Group mitigates risks associated with financial instruments through appropriate diversification of investments and business portfolios, and reduces the concentration risk arising from exposure to a single industry, specific region, or particular counterparty by implementing corresponding risk management policies.

The Group mitigates risks associated with financial instruments through appropriate diversification of investments and business portfolios, and reduces concentration risk in any single industry, specific region, or particular counterparty by establishing corresponding risk management policies.

#### **(1) Credit risk**

The Group transacts only with approved third parties of good standing. In accordance with the Company's policy, credit assessments are required for all customers requesting transactions on a credit basis. Furthermore, the Group continuously monitors the balance of trade receivables to ensure that the Group is not exposed to a significant risk of bad debts. For transactions settled other than in the functional currency of the relevant operating units, the Group shall not extend credit terms unless specifically approved by the Group's credit control department.

Given that the counterparties to cash and bank acceptance bills receivable are banks with good reputations and high credit ratings, the credit risk associated with these financial instruments is low.

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**X. Risks Related to Financial Instruments (continued)**

**1. Financial Instrument Risks (continued)**

**(1) Credit risk (continued)**

The Group's other financial assets include trade bills receivable, accounts receivable, other receivables and long-term receivables. The credit risk arising from these financial assets and contract assets stems from counterparty default, with the maximum exposure equal to their carrying amounts.

The maximum exposure to credit risk faced by the Group at each balance sheet date is the total amount receivable from customers less the allowance for impairment.

As the Group transacts only with approved third parties of good standing, no collateral is required. Credit risk concentration is managed by customer/counterparty, geographical region and industry. 31 December 2025, the Group possesses specific Concentration of credit risk: 6.78% of the Group's trade receivables and contract assets (31 December 2024: 9.86%) and 22.29% (31 December 2024: 24.97%) respectively arising from the largest balance and the top five customers. The Group holds no collateral or other credit enhancements against balances of trade receivables and contract assets. 14.30% (as at 31 December 2024: 29.02%) and 47.56% (as at 31 December 2024: 51.87%) of the Group's other receivables respectively arise from the largest balance and the top five customers.

Criteria for determining significant increase in credit risk

The Company determines the relative change in the probability of default of a financial instrument over its expected life by comparing the risk of default occurring on the balance sheet date with the risk of default occurring on the initial recognition date, in order to assess whether the credit risk of the financial instrument has increased significantly since initial recognition.

In determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and supportable information that is available without undue cost or effort, including forward-looking information. The information considered by the Company includes:

The situation where the debtor fails to pay principal and interest on the contractual maturity date;  
A significant deterioration in the external or internal credit ratings (if any) of financial instruments that have occurred or are expected to occur;

A severe deterioration in the operating performance of debtors, whether actual or anticipated;  
Changes in existing or anticipated technological, market, economic or legal environments that may have a material adverse effect on the debtor's ability to repay the Company.

Based on the nature of financial instruments, the Company assesses whether credit risk has increased significantly on an individual instrument or a portfolio basis. When assessing based on portfolios of financial instruments, the Company may classify financial instruments according to shared credit risk characteristics, such as information on past due status and credit risk ratings.

If the overdue period exceeds 30 days, the Company determines that the credit risk of the financial instrument has increased significantly.

The Company considers that a financial asset is in default when the following circumstances occur:

It is not probable that the borrower will pay in full its indebtedness to the Company. This assessment does not take into account any collection actions taken by the Company, such as realising collateral (if held), or financial assets being more than 90 days past due.

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**X. Risks related to financial instruments (continued)**

**1. Financial instrument risks (continued)**

**(1) Credit risk (continued)**

Financial assets that have incurred credit impairment

The Company assesses at the balance sheet date whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income have incurred credit impairment. A financial asset is considered to be credit-impaired when one or more events that have a detrimental effect on the estimated future cash flows of that financial asset occur. Evidence that financial assets have incurred credit impairment includes the following observable information:

The issuer or the debtor is experiencing significant financial difficulties;

The debtor has breached the contract, such as defaulting on or being overdue in the payment of interest or principal;

The Company has granted concessions to the debtor that would not have been made under any other circumstances, due to economic or contractual considerations related to the debtor's financial difficulties;

It is probable that the debtor will become insolvent or undergo other financial reorganisation;

The active market for the financial asset has ceased to exist due to financial difficulties faced by the issuer or the debtor.

The presentation of the allowance for expected credit losses reflects changes in the credit risk of financial instruments since initial recognition. The Company remeasures the expected credit losses at each balance sheet date. Any increase or reversal of the allowance arising therefrom shall be recognised as an impairment loss or gain in profit or loss for the current period. For financial assets measured at amortised cost, the loss allowance reduces the carrying amount of such assets as presented in the statement of financial position. For debt investments measured at fair value with changes recognised in other comprehensive income, the Company recognises the loss allowance in other comprehensive income and does not reduce the carrying amount of such financial assets.

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**X. Risks Related to Financial Instruments (continued)**

**1. Financial instrument risks (continued)**

**(2) Liquidity Risk**

The Group's objective is to utilise a variety of financing methods to maintain a balance between the continuity and flexibility of financing. The Group finances its operations through funds generated from operating activities and borrowings.

In managing liquidity risk, the Company maintains and monitors cash and cash equivalents deemed sufficient by management to meet the operational requirements of the Company and to mitigate the impact of fluctuations in cash flows. The Company's management monitors the utilisation of bank borrowings and ensures compliance with the loan agreement. Simultaneously, commitments for sufficient standby funding have been obtained from major financial institutions to meet short-term and long-term funding requirements.

The table below summarises the maturity analysis of financial liabilities based on undiscounted contractual cash flows (in RMB 10,000):

2025

	Within one year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	Total
Short-term borrowings	391,426.64	-	-	-	-	-	391,426.64
Bills Payable	1,232,968.47	-	-	-	-	-	1,232,968.47
Accounts Payable	1,790,166.52	-	-	-	-	-	1,790,166.52
Other payables	360,281.82	-	-	-	-	-	360,281.82
Long-term borrowings	119,599.88	143,715.03	113,456.09	108,426.21	108,426.21	927,040.64	1,520,664.06
Lease liabilities	14,254.56	7,505.25	3,654.21	2,490.74	1,797.98	11,284.70	40,987.44
Long-term payables	<u>57,975.07</u>	<u>78,376.21</u>	<u>63,330.78</u>	<u>59,696.44</u>	<u>90,099.32</u>	<u>43,550.16</u>	<u>393,027.98</u>
Total	<u>3,966,672.96</u>	<u>229,596.49</u>	<u>180,441.08</u>	<u>170,613.39</u>	<u>200,323.51</u>	<u>981,875.50</u>	<u>5,729,522.93</u>

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**10. Risks Related to Financial Instruments (continued)**

**1. Financial instrument risks (continued)**

**(2) Liquidity Risk (continued)**

The table below summarises the maturity analysis of financial liabilities based on undiscounted contractual cash flows (in RMB 10,000): (continued)

2024

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	more than 5 years	Total
Short-term borrowings	157,685.26	-	-	-	-	-	157,685.26
Bills Payable	951,719.51	-	-	-	-	-	951,719.51
Accounts Payable	1,301,672.54	-	-	-	-	-	1,301,672.54
Other payables	246,914.52	-	-	-	-	-	246,914.52
Non-current liabilities due within one year	141,138.74	-	-	-	-	-	141,138.74
Other current liabilities (excluding deferred income)	82,428.35	-	-	-	-	-	82,428.35
Long-term borrowings	-	186,507.20	146,457.45	61,150.99	58,291.48	941,779.74	1,394,186.86
Bonds payable	-	-	-	-	-	-	-
Lease liabilities	-	2,862.89	2,198.12	1,754.80	913.89	10,193.55	17,923.25
Long-term payables	-	<u>64,237.06</u>	<u>114,399.80</u>	<u>85,149.38</u>	<u>70,809.72</u>	<u>16,161.91</u>	<u>350,757.87</u>
<b>Total</b>	<b><u>2,881,558.92</u></b>	<b><u>253,607.15</u></b>	<b><u>263,055.37</u></b>	<b><u>148,055.17</u></b>	<b><u>130,015.09</u></b>	<b><u>968,135.20</u></b>	<b><u>4,644,426.90</u></b>

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**X. Risks related to financial instruments (continued)**

**1. Financial instrument risks (continued)**

**(3) Market Risk**

Interest rate risk

The Group's exposure to the risk of changes in market interest rates is primarily associated with its long-term liabilities denominated at floating rates. The Group manages interest rate risk by closely monitoring changes in interest rates and regularly reviewing borrowings.

The table below sets out the sensitivity analysis for interest rate risk, reflecting the impact on net profit or loss (arising from the effect on floating-rate borrowings) should interest rates undergo a reasonable and possible change, assuming all other variables remain unchanged.

2025

	Increase/(decrease) in basis points	Increase/(decrease) in net profit or loss (RMB'0000)	Net other comprehensive income after tax increase / (decrease)	Total increase/(decrease) in shareholders' equity (RMB'0000)
RMB	50.00	8,494.22	-	8,494.22
RMB	(50.00)	(8,494.22)	-	(8,494.22)

2024

	Increase/(decrease) in basis points	Net profit or loss (decrease)/increase (RMB'0000)	Net other comprehensive income after tax increase / (decrease)	Total shareholders' equity (decrease)/increase (RMB'0000)
RMB	50.00	(7,273.60)	-	(7,273.60)
RMB	(50.00)	7,273.60	-	7,273.60

Exchange rate risk

The Group is exposed to transactional foreign exchange risk. Such risks arise from sales or purchases conducted by operating units in currencies other than their functional currency.

The table below presents a sensitivity analysis of exchange rate risk, reflecting the impact on net profit or loss should the exchange rates of the United States dollar, Euro, Hong Kong dollar, Danish krone, South Korean won, and Vietnamese dong undergo reasonable and possible fluctuations, assuming all other variables remain unchanged.

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**X. Risks Related to Financial Instruments (continued)**

**1. Financial instrument risks (continued)**

**(3) Market Risk (continued)**

Foreign Exchange Risk (continued)

2025

	Increase/(decrease) in exchange rate (%)	Increase/(decrease) in net profit or loss (RMB'0000)	Net other comprehensive income after tax increase / (decrease)	Total increase/(decrease) in shareholders' equity (RMB'0000)
RMBdepreciation of the US dollar	5.00	10,108.25	-	10,108.25
RMBagainst the appreciation of the US dollar	(5.00)	(10,108.25)	-	(10,108.25)
The RMB has depreciated against the Euro.	5.00	(183.52)	-	(183.52)
The RMB has appreciated against the Euro.	(5.00)	183.52	-	183.52
The RMB has depreciated against the Pound Sterling.	5.00	34.54	-	34.54
The RMB has appreciated against the Pound Sterling.	(5.00)	(34.54)	-	(34.54)
The RMB has depreciated against the Hong Kong dollar.	5.00	31.66	-	31.66
The RMB has appreciated against the Hong Kong dollar.	(5.00)	(31.66)	-	(31.66)
The RMB has depreciated against the Danish Krone.	5.00	2.02	-	2.02
The RMB appreciated against the Danish Krone.	(5.00)	(2.02)	-	(2.02)
The RMB has depreciated against the South Korean Won.	5.00	57.96	-	57.96
The RMB has appreciated against the South Korean Won.	(5.00)	(57.96)	-	(57.96)
The RMB has depreciated against the Vietnamese Dong.	5.00	8.21	-	8.21

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**X. Risks Related to Financial Instruments (continued)**

**1. Financial instrument risks (continued)**

**(3) Market Risk (continued)**

Foreign Exchange Risk (continued)

2025

	Increase/(decrease) in exchange rate (%)	Increase/(decrease) in net profit or loss (RMB'0000)	Net other comprehensive income after tax increase / (decrease)	Total increase/(decrease) in shareholders' equity (RMB'0000)
The RMB has appreciated against the Vietnamese Dong.	(5.00)	(8.21)	-	(8.21)
The RMB has depreciated against the Japanese Yen.	5.00	22.51	-	22.51
The RMB has appreciated against the Japanese Yen.	(5.00)	(22.51)	-	(22.51)
The RMB depreciated against the Brazilian Real.	5.00	8.77	-	8.77
The RMB appreciated against the Brazilian Real.	(5.00)	(8.77)	-	(8.77)
The RMB depreciated against the United Arab Emirates Dirham.	5.00	8.59	-	8.59
The RMB appreciated against the United Arab Emirates Dirham.	(5.00)	(8.59)	-	(8.59)
The RMB has depreciated against the Serbian Dinar.	5.00	7.86	-	7.86
The RMB has depreciated against the Serbian Dinar.	(5.00)	(7.86)	-	(7.86)
The RMB has depreciated against the Philippine Peso.	5.00	34.32	-	34.32
The RMB appreciated against the Philippine Peso.	(5.00)	(34.32)	-	(34.32)

**Mingyang Smart Energy Group Co., Ltd.**  
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**X. Risks Related to Financial Instruments (continued)**

**1. Financial instrument risks (continued)**

**(3) Market Risk (continued)**

Foreign Exchange Risk (continued)

2024

	Exchange rate Increase / (Decrease) %	Increase/(decrease ) in net profit or loss (RMB'0000)	Net other comprehensive income after tax increase / (decrease)	Total increase/(decrease ) in shareholders' equity (RMB'0000)
RMB depreciation of the US dollar	5.00	8,842.23	-	8,842.23
RMB appreciation of the US dollar	(5.00)	(8,842.23)	-	(8,842.23)
The RMB has depreciated against the Euro.	5.00	1,459.74	-	1,459.74
The RMB appreciated against the Euro.	(5.00)	(1,459.74)	-	(1,459.74)
The RMB has depreciated against the Hong Kong dollar.	5.00	1,049.43	-	1,049.43
The RMB has appreciated against the Hong Kong dollar.	(5.00)	(1,049.43)	-	(1,049.43)
The RMB depreciated against the Danish Krone.	5.00	0.29	-	0.29
The RMB appreciated against the Danish Krone.	(5.00)	(0.29)	-	(0.29)
The RMB has depreciated against the South Korean Won.	5.00	56.44	-	56.44
The RMB has appreciated against the South Korean Won.	(5.00)	(56.44)	-	(56.44)
The RMB has depreciated against the Vietnamese Dong.	5.00	0.40	-	0.40
The RMB has appreciated against the Vietnamese Dong.	(5.00)	(0.40)	-	(0.40)
The RMB has depreciated against the Japanese Yen.	5.00	8.34	-	8.34
The RMB has appreciated against the Japanese Yen.	(5.00)	(8.34)	-	(8.34)
The RMB depreciated against the Brazilian Real.	5.00	(0.02)	-	(0.02)
The RMB appreciated against the Brazilian Real.	(5.00)	0.02	-	0.02
The RMB has depreciated against the United Arab Emirates Dirham.	5.00	5.70	-	5.70
The RMB appreciated against the United Arab Emirates Dirham.	(5.00)	(5.70)	-	(5.70)

**Mingyang Smart Energy Group Co., Ltd.**  
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**X. Risks Related to Financial Instruments (continued)**

**1. Financial instrument risks (continued)**

**(3) Market Risk (continued)**

Price risk of equity instrument investments

Price risk of equity instrument investments refers to the risk that the fair value of equity securities decreases due to changes in stock index levels and the value of individual securities. At 31 December 2025, the Group is exposed to equity price risk arising from individual equity instruments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

The table below illustrates the sensitivity of the Group's net profit or loss and other comprehensive income for the period after tax to a 5% change in the fair value of equity instrument investments, assuming all other variables remain constant and based on the carrying amounts as at the balance sheet date.

2025

	Investment in equity instruments	Net profit or loss Increase / (Decrease)	Other Comprehensive Income net after-tax amount Increase / (Decrease)	Total Shareholders' Equity Increase / (Decrease)
	Carrying amount			
Investment in equity instruments				
Equity instrument investments measured at fair value with changes recognised in profit or loss	502,163,419.22	25,108,170.96	-	25,108,170.96
Equity instrument investments measured at fair value with changes recognised in other comprehensive income	82,904,416.77	-	4,145,220.84	4,145,220.84

**Mingyang Smart Energy Group Co., Ltd.**  
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**X. Risks related to financial instruments (continued)**

**1. Financial instrument risks (continued)**

**(3) Market Risk (continued)**

Price risk of equity instrument investments (continued)

2024

	Investment in equity instruments	Net profit or loss Increase / (Decrease)	Other Comprehensive Income the net after-tax amount Increase / (Decrease)	Total Shareholders' Equity Increase / (Decrease)
	Carrying amount			
Investment in equity instruments				
Equity instrument investments measured at fair value through profit or loss	616,723,412.10	30,836,170.61	-	30,836,170.61
Equity instrument investments measured at fair value with changes recognised in other comprehensive income	131,963,004.53	-	6,598,150.23	6,598,150.23

**2. Capital Management**

The primary objective of the Group's capital management is to ensure the Group's ability to continue as a going concern and to maintain a healthy capital ratio in order to support business development and maximise shareholder value.

The Group manages and adjusts its capital structure in response to changes in the economic climate and risk characteristics of relevant assets. To maintain or adjust the capital structure, the Group may alter profit distributions to shareholders, return capital to shareholders, or issue new shares. The Group is not subject to externally imposed capital requirements. 2025 Annual and 2024 No changes were made to the annual capital management objectives, policies or procedures.

The Group monitors its capital structure based on the gearing ratio (calculated as total liabilities divided by total assets). At the end of the period, the Company's debt-to-asset ratio was 71.71% (end of the preceding year: 68.59%).

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**X. Risks Related to Financial Instruments (continued)**

**3. Transfer of financial assets**

Transfer Method	Nature of Financial Assets Transferred	Amount of financial assets transferred	Derecognition	Criteria for determining derecognition
Endorsement / Discounting	Notes receivable	32,709,500.98	Not derecognised	It retained almost all of its risks and rewards, including the associated default risk.
Endorsement / Discounting	Receivables designated for financing	2,383,245,914.49	Derecognition in full	It has transferred substantially all of its risks and rewards.
Factoring	Accounts Receivable	<u>6,409,096.00</u>	Derecognition in full	It has transferred substantially all of its risks and rewards.
Total		<u>2,422,364,511.47</u>		

The financial assets derecognised due to transfers are as follows:

	Methods of transfer of financial assets	Amount of financial assets derecognised	Gains or losses related to derecognition
Receivables designated for financing	Endorsement / Discounting	2,383,245,914.49	(3,879,777.94)
Accounts Receivable	Factoring	<u>6,409,096.00</u>	-
		<u>2,389,655,010.49</u>	<u>(3,879,777.94)</u>

Financial assets transferred but not derecognised

At 31 December 2025, the carrying amount of commercial acceptance bills endorsed by the Group to suppliers for the settlement of accounts payable amounted to RMB 3,209,500.98 (31 December 2024: RMB 52,745,587.27). The Group considers that it retains substantially all risks and rewards associated with the assets, including the related credit risk; accordingly, it continues to recognise the assets and the corresponding settled accounts payable. Following endorsement, the Group no longer retains the right to use the assets, including the right to sell, transfer or pledge them to other third parties. 31 December 2025, the aggregate carrying amount of trade payables settled by the Group with recourse to suppliers amounted to RMB 3,209,500.98 (31 December 2024: RMB 52,745,587.27).

At 31 December 2025, the carrying amount of commercial acceptance bills discounted by the Group amounted to 29,500,000.00 RMB (31 December 2024: None). The Group considers that it retains substantially all risks and rewards associated with the assets, including the related credit risk; accordingly, it continues to recognise them and recognises the bank borrowings. After discounting, the Group no longer retains the right to use the assets, including the right to sell, transfer or pledge them to other third parties. 31 December 2025, the carrying amount of bank borrowings recognised by the Group totals 29,500,000.00 RMB (31 December 2024: None).

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**X. Risks Related to Financial Instruments (continued)**

**3. Transfer of Financial Assets (continued)**

Transferred financial assets that have been derecognised in their entirety but continue to be involved

At 31 December 2025, the carrying amount of bank acceptance bills endorsed by the Group to suppliers for the settlement of accounts payable amounted to RMB 1,113,954,135.31 (31 December 2024: RMB 3,487,986,675.67). On 31 December 2025, the maturity date ranges from one to twelve months. In accordance with the relevant provisions of the Negotiable Instruments Law, if the accepting bank refuses payment, the holder may exercise recourse rights against any one, several, or all of the bill debtors, including the Group, without regard to the sequence of the debtors ("continued involvement"). The Group considers that it has transferred substantially all risks and rewards associated with the bills; accordingly, it derecognises the bills in full and the related settled accounts payable. The maximum loss and undiscounted cash flows arising from continued involvement and repurchase agreements equal their carrying amounts. The Group considers that the fair value of the continued involvement is not material.

At 31 December 2025, the carrying amount of bank acceptance bills discounted by the Group amounted to RMB 1,269,291,779.18 (31 December 2024: RMB 88,330,344.00). On 31 December 2025 with a maturity of one to twelve months. In accordance with the relevant provisions of the Negotiable Instruments Law, if the accepting bank refuses payment, the holder may exercise recourse rights against any one, several, or all of the bill debtors, including the Group, without following the chronological order of the debtors ("continued involvement"). The Group considers that it has transferred substantially all risks and rewards associated with the bills; accordingly, it derecognises them in full and recognises discounting charges. The maximum loss and undiscounted cash flows arising from continued involvement and repurchase agreements are equal to their carrying amounts. The Group considers that the fair value of the continued involvement is not material.

In 2025, the Group recognised a discounting expense of RMB 3,879,777.94 on its transfer date. (In 2024: RMB 63,073.41) The Group has recognised no gains or losses in the current year and cumulatively arising from continuing involvement in financial assets derecognised. Endorsements and discounting occurred roughly evenly during the year.

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**XI. Disclosure of Fair Value**

**1. Assets and liabilities measured at fair value**

2025

	Inputs used in fair value measurements			Total
	Quoted prices in an active market	Significant observable inputs	Significant unobservable inputs	
	(First Level)	(Level 2)	(Level 3)	
Continuing fair value measurement				
Financial assets held for trading				-
Financial assets measured at fair value through profit or loss				-
wealth management products	-	1,352,142,143.04	-	1,352,142,143.04
Investment in equity instruments	1,068,041.07	-	-	1,068,041.07
Receivables designated for financing	-	955,117,792.00	-	955,117,792.00
Other equity instruments	-	-	82,904,416.77	82,904,416.77
Other non-current financial assets	<u>291,445,200.59</u>	<u>-</u>	<u>209,650,177.56</u>	<u>501,095,378.15</u>
<b>Total</b>	<u><u>292,513,241.66</u></u>	<u><u>2,307,259,935.04</u></u>	<u><u>292,554,594.33</u></u>	<u><u>2,892,327,771.03</u></u>

2024

	Inputs used in fair value measurements			Total
	Quoted prices in an active market	Significant observable inputs	Significant unobservable inputs	
	(First Level)	(Level 2)	(Level 3)	
Continuing fair value measurement				
Financial assets held for trading				
Financial assets measured at fair value through profit or loss				
Investment in equity instruments	1,182,821.44	-	-	1,182,821.44
Receivables designated for financing	-	-	964,286,203.65	964,286,203.65
Other equity instruments	-	-	131,963,004.53	131,963,004.53
Other non-current financial assets	<u>241,163,259.26</u>	<u>-</u>	<u>374,377,331.40</u>	<u>615,540,590.66</u>
<b>Total</b>	<u><u>242,346,080.70</u></u>	<u><u>-</u></u>	<u><u>1,470,626,539.58</u></u>	<u><u>1,712,972,620.28</u></u>

**Mingyang Smart Energy Group Co., Ltd.**  
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**XI. Disclosure of Fair Value (continued)**

**2. Level 1 fair value measurement**

Equity instruments listed are measured at fair value based on quoted market prices.

**3. Level 2 fair value measurement**

Level 2: Observable inputs other than quoted prices included in Level 1 that are used directly (i.e., prices) or indirectly (i.e., derived from prices).

**4. Level 3 fair value measurements**

Level 3: Assets or liabilities utilise any input values that are not based on observable market data (unobservable inputs).

Equity instrument investments that are not listed are valued at fair value using the market approach, based on unobservable market prices or interest rate assumptions. The Group is required to identify comparable listed companies based on industry, scale, leverage and strategy, and to calculate appropriate market multiples for each identified comparable listed company, such as enterprise value multiples and price-to-earnings multiples. Adjustments were made taking into account the specific facts and circumstances of the Company, including factors such as differences in liquidity and scale compared with comparable listed companies. The Group believes that the fair value and its changes estimated using valuation techniques are reasonable and represent the most appropriate values as at the balance sheet date. For the fair value of equity instruments not listed on an exchange, the Group has estimated the potential impact of using other reasonable and possible assumptions as inputs to the valuation model.

The following provides an overview of the significant unobservable inputs for Level 3 fair value measurements:

	Fair value at year-end	Valuation techniques	Unobservable inputs	Range (Weighted Average)
Other equity instruments	82,904,416.77	Net Asset Value	Not applicable	Not applicable
Other non-current financial assets	168,000,000.00	Comparable Company Analysis	Discount for lack of marketability	26.2%
Other non-current financial assets	41,650,177.60	Net Asset Value	Not applicable	Not applicable

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**XI. Disclosure of Fair Value (continued)**

**5. Reconciliation information for continuing Level 3 fair value measurements**

The reconciliation information for the continuing Level 3 fair value measurements is as follows:

	Opening balance	Transfer out of Level 3	Total gain or loss for the period Recognised in other recognised in comprehensive profit or loss		Purchase	Disposal	Closing balance
Receivables designated for financing	964,286,203.65	(964,286,203.65)	-	-	-	-	-
Other equity instruments	131,963,004.53	-	-	2,154,308.16	18,787,104.08	(70,000,000.00)	82,904,416.77
Other non-current financial assets	374,377,331.40	-	1,841,346.16	-	15,671,500.00	(182,240,000.00)	209,650,177.56
<b>Total</b>	<b>1,470,626,539.58</b>	<b>(964,286,203.65)</b>	<b>1,841,346.16</b>	<b>2,154,308.16</b>	<b>34,458,604.08</b>	<b>(252,240,000.00)</b>	<b>292,554,594.33</b>

In relation to the continuing fair value measurements at Level 3, the gains and losses recognised in profit or loss attributable to financial assets and non-financial assets are as follows:

**2025**

	Gains and losses relating to financial assets
Total gains or losses recognised in profit or loss for the current period	82,535,490.27
Movements in the current period's unrealised gains or losses recognised on assets held at year-end	25,990,176.80

**2024**

	Gains and losses relating to financial assets
Total gains or losses recognised in profit or loss for the current period	51,493,656.72
Movements in the current period's unrealised gains or losses recognised on assets held at year-end	(65,682,588.34)

**6. Financial assets and financial liabilities not measured at fair value**

For long-term receivables and long-term borrowings, fair value is determined using the discounted cash flow method, with the discount rate being the market yield of other financial instruments having similar contractual terms, credit risk profiles, and remaining maturities.31 December 2025Regarding long-term borrowings and other self-performance risk assessments, the level of risk is assessed as not material.

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**XII. Related Party Relationships and Transactions**

**1. Parent Company**

	Registered Address	Nature of Business	Registered Capital (RMB'0000)	Percentage shareholding in the Company (%)	Percentage of voting rights in the Company (%)
Mingyang New Energy Investment Holding Group Co., Ltd.	Zhongshan, Guangdong	External Investment	9,280	8.81	25.56

On 15 December 2022, Mingyang New Energy Investment Holding Group Co., Ltd. (hereinafter referred to as "the Company"), Zhongshan Ruixin Enterprise Management Consulting Partnership (Limited Partnership) (hereinafter referred to as "Zhongshan Ruixin"), Hainan Boyun Investment Partnership (Limited Partnership) (hereinafter referred to as "Hainan Boyun"), and Wiser Tyson Investment Corp. Limited (hereinafter referred to as "Wiser Tyson"), First Base Investments Limited (hereinafter referred to as "First Base") and Keycorp Limited have signed the "Voting Rights Entrustment Agreement", pursuant to which Zhongshan Ruixin, Hainan Boyun, Wiser Tyson, First Base and Keycorp have respectively entrusted the voting rights of their respective holdings of 17,803,587 shares, 36,647,003 shares, 157,062,475 shares, 119,470,011 shares and 157,062,475 shares in the Company to Nengtou Group. Upon completion of the entrustment of voting rights, Nengtou Group shall be entitled to exercise the voting rights represented by 25.34% of the Company's shares at that time and become the sole controlling shareholder of the Company.

On 30 November 2023, Beihai Ruiyue Venture Capital Investment Co., Ltd., a shareholder of the Company, entrusted all voting rights represented by its holding of 2,262,876 shares of the Company, representing 0.10% of the total share capital (i.e., 2,271,759,206 shares), to Nengtou Group for exercise.

As at 31 December 2025, the Company's total share capital amounted to 2,261,496,706 shares. Nengtou Group retains the right to exercise voting rights representing 25.56% of the Company's shares and remains the sole controlling shareholder of the Company.

The ultimate controlling parties of the Company are Zhang Chuanwei, Wu Ling and Zhang Rui.

**2. Subsidiaries**

Details of the subsidiaries are set out in Note VIII.1.

**3. Joint Ventures and Associates**

The other joint ventures and associates that have transacted with the Group are as follows:

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**XII. Related Party Relationships and Transactions (continued)**

**3. Joint Ventures and Associates (continued)**

	Related party relationships
MW EP Renewables International Ltd.	Joint venture
MW Wind Power OOD	Joint venture
Guangdong Yuecai Financial Leasing Co., Ltd.	Associate
Huaneng Mingyang New Energy Investment Co., Ltd.	Associate
Three Gorges New Energy (Phoenix) Power Generation Co., Ltd.	Associate
CNOOC (Dongfang) Energy Co., Ltd.	Associate
Tianshui Ruineng Smart New Energy Technology Co., Ltd.	Associate
Guangxi Laibin Huadian Mingyang Wind Power Generation Co., Ltd.	Associate
Inner Mongolia Mingyang Northern Smart Energy Research Institute	Associate
GCPC Investors Limited	Associate
Geermu Mingyang New Energy Power Generation Co., Ltd.	Associate
CITIC Construction & Investment Mingyang New Energy REITs Fund	Associate
Panzhuhua City Renhe Jieyuan New Energy Co., Ltd.	Associate
Chengde County Shantai Jieyuan Steel Structure Co., Ltd.	Associates (incorporated into the consolidation scope as of 30 November 2025)
Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd.	Associate (incorporated into the consolidation scope as of 28 February 2025)
Shuimu Mingtuo (Dabao) Energy Management Co., Ltd.	Associate (deregistered on 21 March 2025)
Guangdong Ruiying Energy Development Co., Ltd.	Associate (deregistered on 8 August 2025)

**Mingyang Smart Energy Group Co., Ltd.**  
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**XII. Related Party Relationships and Transactions (continued)**

**4. Other Related Parties**

	Related party relationships
Guangdong Mingyang Ruide Venture Capital Co., Ltd.	Control by Senior Management
Zhongshan Dehua Chip Technology Co., Ltd.	Control by Senior Management
Zhongshan Shengjun Education Information Consulting Services Co., Ltd.	Announcement on Relatives of Senior Executives Exercising Control
Sky Trillion Limited	The Company's directors served as directors (deregistered on 15 November 2024)
King Venture Limited	The Company's directors served as directors (deregistered on 9 August 2024)
Zhejiang Huayun Marine Engineering Technology Service Co., Ltd.	The directors of the Company serve as directors.
Rich Wind Energy Three Corp	The directors of the Company serve as directors.
Beijing Mingyang Hydrogen Energy Technology Co., Ltd.	The directors of the Company serve as directors.
Guangdong Fenghua Advanced Technology Co., Ltd.	The directors of the Company serve as directors.
Guangdong Zhongmin Investment Holding Co., Ltd.	The directors of the Company serve as directors.
China Mingyang Wind Power Group Co., Ltd.	The directors of the Company serve as directors.
Zhejiang Mingyang Wind Power Generation Co., Ltd.	A director of the Company served as a supervisor (deregistered on 21 November 2024).
CNNC Huihai (Fujian) New Energy Co., Ltd.	A director of the Company served as a supervisor (deregistered on 11 March 2024).
Mingyang New Material Technology (Tieling County) Co., Ltd.	The Company's directors served as executive directors (deregistered on 27 September 2024).
Zhongshan United Science and Technology Innovation New Energy Management Consulting Co., Ltd.	The directors of the Company serve as executive directors.
Zhongshan Ruijin New Energy Investment Development Co., Ltd.	The directors of the Company serve as executive directors.
Mingyang Wind Power Investment Holding (Tianjin) Co., Ltd.	The directors of the Company serve as executive directors.
Guangdong Hengjiahe Investment Partnership Enterprise (Limited Partnership)	The directors of the Company serve as the executive partners (designated representatives).
Guangdong Hengkuo Investment Co., Ltd.	The directors of the Company serve as the General Manager.
Mingyang Lusheng (Shenzhen) Intelligent Industry Investment Partnership (Limited Partnership)	Control by the Company Directors
Xinjiang Ruixiang Smart Agriculture Technology Development Co., Ltd.	Control by the Company Directors
Yunnan Mingyang Energy Conservation and Environmental Protection Industry Co., Ltd.	Control by the Company Directors
Turpan Huayang Changqing Non-metallic Waste Recycling Co., Ltd.	Control by Directors of the Company (Deregistered on 19 March 2024)
Asiatech Holdings Limited	Control by Directors of the Company (Deregistered on 14 June 2024)
Hamayun Cheng Electric Co., Ltd.	Control by Directors of the Company (Deregistered on 20 June 2024)
Zhuhai Hengqin Mingyang Supply Chain Management Service Co., Ltd.	Control by the Company Directors
Mingyang Energy Investment (Hong Kong) International Limited	Control by Directors of the Company (Deregistered on 9 August 2024)
Beijing Zhongke Huaqiang Energy Investment Management Co., Ltd.	Control by the Company's Directors (Deregistered on 10 January 2025)
Mingyang Hydrogen Power Technology (Yancheng) Co., Ltd.	Control by the Company Directors

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**XII. Related Party Relationships and Transactions (continued)**

**4. Other Related Parties**

	Related party relationships
Hangzhou Mingqiao Energy Co., Ltd.	Control by the Company Directors
Guangdong Mingnuo Hydrogen Energy Technology Co., Ltd.	Control by the Company Directors Control by the Company's Directors (Deregistered on 10 April 2025)
Guangdong Yuncheng Technology Co., Ltd.	Control by the Company Directors
Shanghai Yuanqiao Enterprise Management Co., Ltd.	Control by the Company Directors
Mingyang Electric (Shaanxi) Co., Ltd.	Control by the Company Directors
Hainan Boyun Investment Partnership (Limited Partnership)	Control by the Company Directors
Huayang Changqing Investment Limited Company	Control by the Company Directors
Zhongshan Zhichuang Technology Investment Management Co., Ltd.	Control by the Company Directors
Henan Huayang Changqing Lubricating Oil Technology Co., Ltd.	Control by the Company Directors
Henan Mingzhi Real Estate Co., Ltd.	Control by the Company Directors
Jiuhua Technology Development Co., Ltd.	Control by the Company Directors
Inner Mongolia Mingyang Wind Power Equipment Co., Ltd.	Control by the Company Directors
Zhongshan Mingyang Electric Appliance Co., Ltd.	Control by the Company Directors
Zhongshan Taiyang Kehui Industrial Co., Ltd.	Control by the Company Directors
Zhongshan Bozhong Kechuang New Energy Management Consulting Co., Ltd.	Control by the Company Directors
Guangdong Mingyang Electrical Co., Ltd.	Control by the Company Directors
Hainan Ruixufeng Castor Seed Technology Co., Ltd.	Control by the Company Directors
First Windy Investment Corp.	Control by the Company Directors
Tianjin Mingyang Enterprise Management Consulting Co., Ltd.	Control by the Company Directors
Bazhou Ruiheng Biotechnology Co., Ltd.	Control by the Company Directors
Beihai Ruiyue Venture Capital Co., Ltd.	Control by the Company Directors
Beijing Boyang Huiyuan Power Technology Co., Ltd.	Control by the Company Directors
Beijing Chuangshi Ruixin Technology Co., Ltd.	Control by the Company Directors
Guangdong Borui Tiancheng Energy Technology Co., Ltd.	Control by the Company Directors
Jiayuguan Ruide Xinyang New Energy Technology Co., Ltd.	Control by the Company Directors
Suzhou Mingyang Hydrogen Energy Equipment Co., Ltd.	Control by the Company Directors
Zhengzhou Ruixu New Energy Technology Co., Ltd.	Control by the Company Directors
Tech Sino Limited	Director's relative serving as a director (deregistered on 14 February 2025) Directors' relatives serving as directors of the Company
Huzhou Zhili Yinhu Grain and Oil Co., Ltd.	Control by the Company's directors
Nice June Limited	Control by relatives of the Company's directors
Rich Wind Energy Two Corp	Control by relatives of the Company's directors
Pengze County Kangkang Supermarket	Control by relatives of the Company's directors
Zhaoming Qianfan (Tianjin) Equity Investment Partnership (Limited Partnership)	Control by relatives of the Company's directors
Zhaoming Tongchuang (Tianjin) Equity Investment Partnership (Limited Partnership)	Control by relatives of the Company's directors
Guangzhou Beixu Technology Co., Ltd.	The Company's independent directors serve as supervisors. The Company's independent directors serve as supervisors.
Guangzhou Renzhimu Biotechnology Co., Ltd.	The Company's independent directors serve as supervisors.
Beijing Junrong (Guangzhou) Investment Partnership (Limited Partnership)	The Company's independent directors serve as appointed representatives.

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**XII. Related Party Relationships and Transactions (continued)**

**4. Other Related Parties**

	Related party relationships
Guangdong Beiyin Fund Management Co., Ltd.	The Company's independent directors serve as executive directors.
Guangzhou Beying Enterprise Management Consulting Co., Ltd.	The Company's independent directors serve as executive directors.
Guangzhou Yihe Health Industry Development Co., Ltd.	The Company's independent directors serve as executive directors.
Nanfeng Packaging Group Limited	An independent director of the Company serves as the General Manager.
Guangzhou Beiyin Health Management Co., Ltd.	Control by the Company's Independent Directors
Guangzhou Medical Assistance Public Welfare Promotion Association	Control by the Company's Independent Directors
Guangdong Libian Venture Capital Investment Management Co., Ltd.	Senior executives of the Company serve as directors.
Southern Offshore Wind Power Joint Development Co., Ltd.	Senior executives of the Company serve as directors.
Guangdong Yuecai Financial Leasing Co., Ltd.	Senior executives of the Company serve as directors.
Zhongshan Ruixin Intelligent Control System Co., Ltd.	Executive officers of the Company served as directors (withdrew in March 2025)
Jiuhua Juye (Beijing) Technology Development Co., Ltd.	Senior executives of the Company serve as directors.
Beijing Kaiwu Changsheng Investment Management Co., Ltd.	Senior executives of the Company serve as directors.
Huaneng Mingyang New Energy Investment Co., Ltd.	Senior executives of the Company serve as directors.
Three Gorges New Energy (Phoenix) Power Generation Co., Ltd.	Senior executives of the Company serve as directors.
Guangdong Ruiying Energy Development Co., Ltd.	The Company's senior executive served as Chairman (deregistered on 8 August 2025).
Guo Clean Energy (Beijing) Technology Co., Ltd.	Senior executives of the Company served as supervisors (deregistered on 6 September 2024).
Guangdong Oriental Shengshi Renewable Energy Industry Fund Management Co., Ltd.	Executive officers of the Company serve as supervisors.
Zhongshan Xingdi Technology Investment Co., Ltd.	Senior executives of the Company serve as executive directors.
Zhongshan Guangrui Xinhui Enterprise Management Consulting Partnership (Limited Partnership)	Control by Senior Management
Zhongshan Heyi Education and Training Centre Co., Ltd.	Relatives of the Company's senior executives serve as directors.
Minquan Runheng Trading Co., Ltd.	Relatives of the Company's senior executives serve as executive directors.
Chaozhou Ziru Tang Tea Industry Co., Ltd.	Control by relatives of senior executives of the Company
Wuyishan Yuchafanglin Tea House	Control by relatives of senior management of the Company (deregistered in September 2025)
Zhongshan Caomu Shenzong E-Commerce Co., Ltd.	Control by relatives of senior executives of the Company
Zixing Zhuliju Farmhouse	Control by relatives of senior management of the Company
First Base Investments Limited	the Company's shareholders
Keycorp Limited	the Company's shareholders
Wiser Tyson Investment Corp Limited	the Company's shareholders
Zhongshan Ruixin Enterprise Management Consulting Partnership (Limited Partnership)	the Company's shareholders

**Mingyang Smart Energy Group Co., Ltd.**  
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**XII. Related Party Relationships and Transactions (continued)**

**4. Other Related Parties (continued)**

	Related party relationships
Hainan Xi Yue Electronic Technology Co., Ltd. Guangdong Renewable Energy Industry Fund No. 3 (Limited Partnership) Mingyang New Energy Investment Holding Group Co., Ltd.	The Company's supervisors serve as supervisors. The Company's controlling shareholder (deregistered on 28 May 2025)
Yongsheng Guangxi (Beijing) Consulting Co., Ltd.	the Company's controlling shareholder A former executive of the Company served as a director. A former senior executive of the Company serves as a director.
Jiangsu Haiji New Energy Co., Ltd. Beijing Yonghong Hong Enterprise Management Center (Limited Partnership)	A former senior executive of the Company serves as the Managing Partner. A former senior executive of the Company serves as the Managing Partner (deregistered on 18 September 2025)
Guangdong Yueyuan Co-creation Equity Investment Partnership (Limited Partnership) Shanghai Shenglian Wentou Trade Partnership Enterprise (Limited Partnership)	A former senior executive of the Company serves as the Managing Partner. A relative of the Company's former senior executive serves as an executive director. (deregistered on 13 September 2025)
Source Yongsheng (Beijing) Consulting Co., Ltd.	A director of the Company served as a director (having resigned from that company in June 2025).
Easite Group Co., Ltd.	A director of the Company served as both a director and general manager (having resigned from the Company in June 2025).
Guangdong Hengjian International Investment Co., Ltd. A1 Development EOOD Henan Zhongtou Yingke Wind Power Generation Co., Ltd.	Joint venture subsidiaries  Associate subsidiaries

**Mingyang Smart Energy Group Co., Ltd.**  
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**XII. Related Party Relationships and Transactions (continued)**

**5. Related Party Transactions**

**(1) Transactions with related parties for goods and services**

Purchase of goods and acceptance of services from related parties

	Nature of the transaction	2025	Approved transaction limit	Has the transaction limit been exceeded?	2024
Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	Procurement Activities	616,262,758.82	960,000,000.00	No	383,159,521.81
Zhongshan Taiyang Kehui Industrial Co., Ltd.	Procurement activities	196,423,410.32	250,000,000.00	No	210,286,765.24
Beijing Boyang Huiyuan Power Technology Co., Ltd.	Procurement activities	114,598,558.53	230,000,000.00	No	67,248,887.84
Chengde County Shantai Jieyuan Steel Structure Co., Ltd.	Procurement activities	4,321,064.54	-	Not applicable	-
Jiangsu Haiji New Energy Co., Ltd.	Procurement Activities	-	-	Not applicable	(842,591.72)
Beijing Mingyang Hydrogen Energy Technology Co., Ltd.	Procurement activities	-	48,000,000.00 123,600,000.00	No	-
Huayang Changqing Investment Limited Company	Procurement activities	64,563,718.03		No	6,374,662.07
Zhongshan Ruixin Intelligent Control System Co., Ltd.	Procurement activities	818,246.64		No	-
Easite Group Co., Ltd.	Procurement activities	1,194.69		No	-

**Mingyang Smart Energy Group Co., Ltd.**  
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**XII. Related Party Relationships and Transactions (continued)**

**5. Related Party Transactions**

**(1) Transactions with related parties for goods and services**

Sales of goods and provision of services to related parties

	Content of the transaction	2025	2024
Huayang Changqing Investment Limited Company	Sale of goods/materials	1,915,093.85	218,943.21
Henan Zhongtou Yingke Wind Power Generation Co., Ltd.	Sale of goods/materials	320,796.46	-
Mingyang New Energy Investment Holding Group Co., Ltd.	Sale of goods/materials	-	1,887,699.12
Three Gorges New Energy (Phoenix) Power Generation Co., Ltd.	Sale of goods/materials and service fees	1,470,354.39	2,241,275.49
Southern Offshore Wind Power Joint Development Co., Ltd.	Sale of goods/materials and service fees	1,200,354.16	20,552,862.44
Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	Sale of goods/materials and technical service fees	522,155.68	348,061.38
Panzhuhua City Renhe Jieyuan New Energy Co., Ltd.	Sale of goods/materials and technical service fees	-	371,681.42
Geermu Mingyang New Energy Power Generation Co., Ltd.	Sale of goods/materials and technical service fees	-	92,924.53
A1 Development EOOD	Technical Service Fees	136,068.30	-
Beijing Boyang Huiyuan Power Technology Co., Ltd.	Technical service fees and other services	15,943.40	-
Inner Mongolia Mingyang Wind Power Equipment Co., Ltd.	Sale of goods/materials	-	272,283.40

**Mingyang Smart Energy Group Co., Ltd.**  
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**XII. Related Party Relationships and Transactions (continued)**

**5. Related Party Transactions (continued)**

**(2) Related Party Leases**

As a lessor

	Types of Leased Assets	2025 Lease Income	2024 Rental Income
Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	Leased Premises	3,561,995.28	3,561,995.28
Zhongshan Dehua Chip Technology Co., Ltd.	Leased Premises	1,121,563.91	777,872.76
Zhongshan Ruixin Intelligent Control System Co., Ltd.	Leased Premises	105,142.80	87,619.01
Jiuhua Juye (Beijing) Technology Development Co., Ltd.	Leased Premises	30,581.04	91,743.12
Zhongshan Ruixin Intelligent Control System Co., Ltd.	Leased equipment	192,122.52	477,124.20
Xinjiang Ruixiang Smart Agriculture Technology Development Co., Ltd.	Leased equipment	6,623.57	-

As a lessee

2025

	Types of Leased Assets	Rental expenses for short-term leases and leases of low-value assets accounted for using the simplified approach	Rent paid	Interest expense on lease liabilities assumed	Additions to right-of-use assets
Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	Lease of property	-	1,147,155.96	85,586.95	4,402,824.71
Xinjiang Ruixiang Smart Agriculture Technology Development Co., Ltd.	Lease of property	838,853.15	838,853.15	-	-
Zhongshan Mingyang Electric Appliance Co., Ltd.	Lease of property	194,803.39	194,803.39	-	-

**Mingyang Smart Energy Group Co., Ltd.**  
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**XII. Related Party Relationships and Transactions (continued)**

**5. Related Party Transactions (continued)**

**(2) Related Party Leases (continued)**

2024

	Types of Leased Assets	Rental expenses for short-term leases and leases of low-value assets accounted for using the simplified approach	Rent paid
Xinjiang Ruixiang Smart Agriculture Technology Development Co., Ltd.	Lease of property	882,148.88	882,148.88
Zhongshan Mingyang Electric Appliance Co., Ltd.	Lease of property	229,502.40	229,502.40

**(3) Key management personnel remuneration**

	2025	2024
Remuneration of key management personnel	35,848,931.11	31,035,602.32

Note 1: The remuneration of the above key management personnel includes payments received by members of the Supervisory Board who held other positions within the Company prior to the abolition of the Supervisory Board.

Note 2: The above remuneration of key management personnel includes share-based payment expenses of RMB 2,456,397.08.

**(4) Other Related Party Transactions**

	Content of Related Party Transactions	2025	2024
A1 DEVELOPMENT EOOD	Collection of loan interest	806,116.20	611,943.16

**Mingyang Smart Energy Group Co., Ltd.**  
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**XII. Related Party Relationships and Transactions (continued)**

**6. Balances of amounts receivable from and payable to related parties**

**(1) Receivables**

	Related Parties	2025		2024	
		Balance per the books	Provision for bad debts	Carrying balance	Provision for bad debts
Accounts Receivable	A1 DEVELOPMENT EOOD	27,226,606.08	27,226,606.08	27,541,205.14	27,541,205.14
Accounts Receivable	CNOOC (Dongfang) Energy Co., Ltd.	21,929,734.51	447,366.58	-	-
Accounts Receivable	Southern Offshore Wind Power Joint Development Co., Ltd.	11,706,049.42	600,006.17	116,457,266.53	36,565,722.39
Accounts Receivable	Panzhuhua City Renhe Jieyuan New Energy Co., Ltd.	168,000.00	3,427.20	148,672.57	1,769.20
Accounts Receivable	Zhongshan Ruixin Intelligent Control System Co., Ltd.	54,261.90	1,106.94	-	-
Accounts Receivable	Henan Zhongtou Yingke Wind Power Generation Co., Ltd.	26,128.31	533.02	-	-
Accounts Receivable	Huayang Changqing Investment Limited Company	13,918.98	377.20	16,383.10	288.34
Accounts Receivable	Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	-	-	1,150,400.00	82,253.60
Accounts Receivable	Geemu Mingyang New Energy Power Generation Co., Ltd.	-	-	2,955.00	35.16
Prepayments	Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	1,150,368.14	-	4,039,222.95	-
Prepayments	Xinjiang Ruixiang Smart Agriculture Technology Development Co., Ltd.	-	-	550,000.00	-
Other receivables	A1 DEVELOPMENT EOOD	14,678,427.55	14,678,427.55	15,916,209.52	15,916,209.52
Other receivables	Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	625,200.00	7,064.76	-	-
Other receivables	Panzhuhua City Renhe Jieyuan New Energy Co., Ltd.	572,200.00	341,775.06	572,200.00	227,163.40
Other receivables	Zhongshan Ruixin Intelligent Control System Co., Ltd.	49,457.67	237.40	-	-

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**XII. Related Party Relationships and Transactions (continued)**

**6. Balances of amounts receivable from and payable to related parties (continued)**

**(2) Accounts Payable**

	Related Parties	2025	2024
Accounts Payable	Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	184,760,991.46	72,758,505.32
Accounts Payable	Zhongshan Taiyang Kehui Industrial Co., Ltd.	132,554,897.92	100,102,051.05
Accounts Payable	Beijing Boyang Huiyuan Power Technology Co., Ltd.	84,850,923.43	50,361,401.02
Accounts Payable	Huayang Changqing Investment Limited Company	45,416,576.06	5,219,338.41
Accounts Payable	Zhongshan Ruixin Intelligent Control System Co., Ltd.	921,899.84	-
Accounts Payable	Easite Group Co., Ltd.	825.00	-
Other payables	Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	78,262,860.85	64,421,627.44
Other payables	Beijing Boyang Huiyuan Power Technology Co., Ltd.	1,205,726.02	681,865.64
Other payables	Huayang Changqing Investment Limited Company	295,500.00	50,000.00
Other payables	Zhongshan Taiyang Kehui Industrial Co., Ltd.	272,807.25	1,080,103.43
Other payables	Zhongshan Mingyang Electric Appliance Co., Ltd.	15,525.00	-
Other payables	Hainan Ruixufeng Castor Seed Technology Co., Ltd.	1,200.00	-
Other payables	Xinjiang Ruixiang Smart Agriculture Technology Development Co., Ltd.	-	360,597.94
Long-term payables	Zhongshan Taiyang Kehui Industrial Co., Ltd.	49,453,791.08	30,634,812.74
Long-term payables	Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	15,157,893.36	3,840,671.61
Long-term payables	Beijing Boyang Huiyuan Power Technology Co., Ltd.	12,560,489.03	7,256,206.01
Non-current liabilities due within one year	Guangdong Mingyang Electric Co., Ltd. and its subsidiaries	8,482,142.34	1,564,919.03
Non-current liabilities due within one year	Zhongshan Taiyang Kehui Industrial Co., Ltd.	8,105,288.99	530,851.06
Non-current liabilities due within one year	Beijing Boyang Huiyuan Power Technology Co., Ltd.	1,249,962.67	1,573,028.41
Non-current liabilities due within one year	Easite Group Co., Ltd.	67.50	-
Other current liabilities	Three Gorges New Energy (Phoenix) Power Generation Co., Ltd.	8,777,168.80	-
Contract liabilities	Three Gorges New Energy (Fenghuang) Power Generation Co., Ltd.	67,516,683.07	55,867,800.69

No interest is accrued on amounts receivable from or payable to related parties.

**Mingyang Smart Energy Group Co., Ltd.**  
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**XIII. Share-based Payment**

**1. Various equity instruments**

On 21 October 2025, the shareholders' meeting of the Company approved the 'Mingyang Smart Energy Group Co., Ltd. 2025 Stock Option Incentive Plan' (hereinafter referred to as the 'Option Incentive Plan'). A total of 20 million stock options were granted to 260 eligible senior management personnel and core technical staff, representing 0.8805% of the Company's total share capital at the time of the announcement of the draft of the said plan (i.e., 2,271,496,706 shares), with an exercise price of RMB 14.03 per option. The validity period of the current equity incentive plan shall commence from the date of grant and expire on the date when all share options are exercised or cancelled, whichever is earlier, with a maximum duration not exceeding 36 months. The vesting period for the granted options is 12 months and 24 months from the grant date. The proportion of underlying shares unlocked per period, based on the Company's performance assessment objectives and individual performance assessment objectives, is 50% and 50%, respectively.

On 21 October 2025, the shareholders' meeting of the Company approved the 'Mingyang Smart Energy Group Co., Ltd. 2025 Employee Share Ownership Plan' (hereinafter referred to as the 'Employee Share Ownership Plan'), pursuant to which shares were granted to 107 employees with a total of 9.79 million shares at a purchase price of RMB 7.02 per share. The duration of the employee share ownership plan shall not exceed 36 months. On 29 December 2025, a non-trading transfer of 9.79 million shares was completed to the dedicated securities account titled 'Mingyang Smart Energy Group Co., Ltd. - 2025 Employee Share Ownership Plan'. The vesting period for the granted shares shall be 12 months and 24 months from the grant date, with the proportion of underlying shares unlocked in each tranche being 50% and 50%, respectively, based on the Company's performance assessment objectives and individual performance assessment objectives.

The various equity instruments are as follows:

	Granted in the current year		Exercise of options in the current year		Vesting for the current year		Expired this year	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
R&D								
personnel	4,890,000.00	21,817,950.00	-	-	-	-	-	-
Management	17,240,000.00	86,327,950.00	-	-	-	-	-	-
Sales								
personnel	7,490,000.00	36,020,950.00	-	-	-	-	-	-
Production								
personnel	120,000.00	403,800.00	-	-	-	-	-	-
Total	<u>29,740,000.00</u>	<u>144,570,650.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The equity instruments outstanding at the end of the year are as follows:

	Employee Share Ownership Plan		Share Option Scheme	
	Range of exercise prices	Remaining term of the contract	Range of exercise prices	Remaining term of the contract
R&D personnel	RMB 7.02 per share	2 years	RMB 14.03 per share	2 years
Management personnel	RMB 7.02 per share	2 years	RMB 14.03 per share	2 years
Sales personnel	RMB 7.02 per share	2 years	RMB 14.03 per share	2 years
Production personnel	RMB 7.02 per share	2 years	RMB 14.03 per share	2 years

**Mingyang Smart Energy Group Co., Ltd.**  
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**XIII. Share-based Payment (continued)**

**2. Share-based payment settled in equity**

	2025
Method for determining the fair value of equity instruments at the grant date	Market fair value
Key parameters of the fair value of equity instruments granted on the grant date	Share price of the underlying asset; Volatility
	At the end of each vesting period, it is estimated and determined based on the expected turnover rate of the incentive recipients and the results of performance assessments.
Basis for determining the number of equity instruments that are exercisable	Non
Reasons for significant differences between the current year's estimates and those of the previous year	Non
The cumulative amount of share-based payments settled in equity recognised in other reserves	17,212,006.85

**3. Share-based payment expenses incurred in the current year**

	Share-based payment expenses settled in equity
R&D personnel	2,613,389.55
Management personnel	10,257,422.35
Sales personnel	4,291,664.84
Production personnel	49,530.11
	<hr/>
Total	17,212,006.85
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**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XIV. Commitments and Contingencies**

**1. Significant Commitments**

	2025	2024
Commitments for the acquisition and construction of long-term assets	5,020,152,062.49	1,063,698,330.89
Commitments on External Investments	<u>546,084,530.00</u>	<u>572,931,500.00</u>
Total	<u>5,566,236,592.49</u>	<u>1,636,629,830.89</u>

Lease commitments as a lessee are disclosed in Note V.67.

**2. Contingencies**

**(1) Contingent liabilities arising from pending litigation and arbitration and their financial impact**

the Plaintiff	the Defendant	Cause of Action	the court of first instance	Amount Involved (RMB)	Progress of the case	Notes
China Railway Port and Shipping Group Co., Ltd.	the Company	Contract Dispute	Guangzhou Maritime Court	74,644,014.13	Under trial	Note 1
Hebei Construction Group Co., Ltd.	Zhangjiakou Mingyang Smart Energy Co., Ltd.	Contract Dispute	Zhangjiakou Wanquan District People's Court	33,156,963.06	Under trial	Note 2
Siping Zhongneng Wind Power Co., Ltd.	Tianjin Mingzhi Runyang Technology Co., Ltd.	Contract Dispute	Beijing Arbitration Commission	10,650,136.00	Under trial	Note 3

Note 1: The Company has been sued by China Railway Construction Port and Harbour Group Co., Ltd. in relation to a dispute over a construction project contract. The amount in dispute is RMB 74,644,014.13. As at 31 December 2025, the case remains under trial at first instance.

Note 2: The Company's subsidiary, Zhangjiakou Mingyang Smart Energy Co., Ltd., has been sued by Hebei Construction Group Co., Ltd. over a construction contract dispute. The amount in dispute is RMB 33,156,963.06. As of 31 December 2025, the case remains at the first instance trial stage.

Note 3: The Company's subsidiary, Tianjin Mingzhi Runyang Technology Co., Ltd., has been subject to arbitration proceedings initiated by Siping Zhongneng Wind Power Co., Ltd. in relation to a construction contract dispute. The amount involved is RMB 10,650,136.00. As of 31 December 2025, the case has not yet been heard.

As at 31 December 2025, save for the pending litigation cases with significant amounts set out in the above table, there were 37 pending litigation cases where the Company was the defendant, with a claim amount of RMB 80,123,377.98; and 28 pending litigation cases where the Company was the plaintiff, with a claim amount of RMB 516,502,181.77.

**(2) Product Quality Assurance Terms**

The Company has a warranty obligation for products sold; details are provided in Note V.39.

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XIV. Commitments and Contingencies (continued)**

**2. Contingencies (continued)**

**(3) The details of the Company's own mortgages and pledges established in relation to borrowings, bank acceptance agreements, letters of credit, etc., as well as the guarantees and letters of credit issued by the Company are as follows:**

	Balance (RMB'0000)
Unfulfilled irrevocable guarantees	
RMB	1,341,753.59
US Dollar	3,273.82
Euro	1,958.85
Brazilian Real	241.07
Issued but undated letters of credit	
RMB	297,052.44

**(4) Contingent liabilities arising from guarantees provided to other entities and their financial impact**

Guaranteed Party	Guarantor	Beneficiary of the Guarantee	Guarantee Balance (RMB'0000)	Guarantee Period	Guarantee Matters / Guarantee Content	Mode of Guarantee	Whether the guarantee has been fully discharged.
Qinghai Mingyang New Energy Co., Ltd.	Qinghai Chaidamuk Development and Construction Investment Co., Ltd.	China Development Fund Co., Ltd.	4,880.00	two years from the date of maturity of the debt obligation under the main contract	Capital increase guarantee	joint and several liability guarantee	No
Qinghai Chaidam Development and Construction Investment Co., Ltd. (Counter-Guarantee)	Mingyang Smart Energy Group Co., Ltd.	China Development Fund Co., Ltd.	4,880.00	This Contract shall come into effect from the date on which it is signed by the legal representatives or authorised agents of both parties to this Contract and sealed with their official seals, and shall remain in force until the creditor's claims are fully satisfied.	Capital increase guarantee	Mortgage	No

**XV. Events After the Balance Sheet Date and Other Significant Matters**

**1. Distribution of Profits**

Distribution of profits after the balance sheet date:

Proposed dividend allocation	399,630,843.57	Note 1
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**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XV. Events After the Balance Sheet Date and Other Significant Matters (continued)**

**1. Distribution of Profits (continued)**

Note 1: On 27 April 2026, the Board of Directors of the Company convened a meeting. The Company proposes to distribute a cash dividend of RMB 0.185 per share (inclusive of tax) to all shareholders. As of 27 April 2026 (being the date of consideration by this Board), the Company's total share capital amounted to 2,261,496,706 shares. After deducting the 101,329,984 shares held in the Company's repurchase special account, the number of shares eligible to participate in the current profit distribution was 2,160,166,722 shares. Based on this calculation, a total cash dividend of RMB 399,630,843.57 (inclusive of tax) is proposed.

This profit distribution proposal is subject to approval by the Shareholders' General Meeting for the year 2025.

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XV. Events after the Balance Sheet Date and Other Significant Matters (continued)**

**2. Discontinued Operations**

Taonan Baiqiang New Energy Co., Ltd. has been classified as discontinued operations.

The following is the statement of profit or loss for Taonan Baiqiang New Energy Co., Ltd.:

	As at the date of disposal	2024
Revenue	10,722,859.41	4,432,993.18
Costs and expenses	7,226,575.55	2,907,547.91
Total profit	3,496,283.86	1,525,445.27
Income tax expense	369,364.46	(379,572.76)
Net profit	3,126,919.40	1,905,018.03
Impairment loss on discontinued operations	-	-
Income tax expense related to impairment losses on discontinued operations	-	-
Profit for the year from discontinued operations	3,126,919.40	1,905,018.03
Of which: profit for the year from discontinued operations attributable to owners of the Company	2,563,980.10	1,562,057.63
Profit from discontinued operations attributable to non-controlling interests	562,939.30	342,960.40

The cash flows of Taonan Baiqiang New Energy Co., Ltd. are as follows:

	2025	2024
Net cash flow from operating activities	109,814,619.03	3,909,156.62
Net cash flow from investing activities	(118,093,300.00)	18,133,545.57
Net cash flow from financing activities	(65,823,473.13)	65,000,000.00

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XV. Events after the Balance Sheet Date and Other Significant Matters (continued)**

**3. Segment Reporting**

**(1) Operating Segments**

For management purposes, the Group has organised its business units on the basis of products and services. The Group has two reportable segments as follows:

- (1) High-end energy equipment manufacturing sector: wind turbine equipment manufacturing, sales, and operation and maintenance services; photovoltaic product manufacturing and sales.
- (2) Energy products and services segment: construction, management and operation of energy investment projects, as well as demand-side management of electricity and energy efficiency management;

Management manages the operating results of each business unit separately for the decision-making purposes of resource allocation and performance evaluation. Segment performance is evaluated based on the reported segment profit. This indicator is an adjusted figure of the total profit from continuing operations and is consistent with the Group's total profit from continuing operations.

Transfer pricing between operating segments is determined by reference to fair values established for transactions with third parties.

2025

	High-end energy equipment Manufacturing Sector	Energy products and Service Segment	Inter-segment eliminations	Consolidation
Operating Revenue	34,255,740,839.23	7,285,615,522.84	(3,446,387,097.64)	38,094,969,264.43
Of which: revenue from external transactions	30,809,353,741.59	7,285,615,522.84	-	38,094,969,264.43
Inter-segment revenue	3,446,387,097.64	-	(3,446,387,097.64)	-
Of which: Revenue from Main Business Activities	33,985,873,675.92	6,972,332,659.46	(3,319,935,138.26)	37,638,271,197.12
Cost of Sales	30,855,119,173.59	6,260,427,598.97	(2,952,866,810.30)	34,162,679,962.26
Of which: Cost of main business operations	30,673,768,620.65	5,948,297,347.13	(2,887,058,067.14)	33,735,007,900.64
Operating expenses	2,657,553,980.24	398,971,501.81	158,947,747.02	3,215,473,229.07
Impairment loss on assets	214,765,176.15	26,353,825.22	4,980,108.12	246,099,109.49
Depreciation and amortisation expenses	952,857,239.66	736,496,217.38	(49,802,486.29)	1,639,550,970.75
Operating profit/(loss)	743,067,685.40	626,216,422.06	(652,468,034.36)	716,816,073.10
Long-term equity investments accounted for using the equity method	905,053,139.59	311,516,100.94	-	1,216,569,240.53
Increase in other non- current assets excluding long-term equity investments	1,487,327,321.36	1,936,490,735.14	(1,989,502,732.32)	1,434,315,324.18
Total Assets	90,890,387,633.24	34,066,759,918.55	(28,103,522,735.09)	96,853,624,816.70
Total liabilities	66,148,976,663.80	20,785,960,918.67	(17,479,849,815.72)	69,455,087,766.75

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XV. Events after the Balance Sheet Date and Other Significant Matters (continued)**

**3. Segment Reporting (continued)**

**(1) Operating Segments (continued)**

2024

	High-end energy equipment Manufacturing Sector	Energy products and Service Sector	Inter-segment eliminations	Consolidation
Operating Revenue	30,112,018,490.66	2,024,204,417.31	(4,977,906,190.03)	27,158,316,717.94
Of which: Revenue from external transactions	25,134,112,300.63	2,024,204,417.31	-	27,158,316,717.94
Inter-segment revenue	4,977,906,190.03	-	(4,977,906,190.03)	-
Of which: Main business revenue	29,486,394,910.78	1,996,051,258.05	(4,778,564,074.86)	26,703,882,093.97
Cost of sales	28,582,197,558.75	1,024,557,559.33	(4,647,749,564.54)	24,959,005,553.54
Of which: Cost of main business operations	27,886,255,601.25	1,017,061,084.84	(4,236,803,767.15)	24,666,512,918.94
Operating Expenses	1,806,813,574.51	504,570,454.59	(564,003,816.46)	1,747,380,212.64
Impairment loss on assets	223,053,593.66	31,929,891.43	-	254,983,485.09
Depreciation and amortisation expenses	909,314,555.74	672,551,335.65	(123,139,733.35)	1,458,726,158.04
Operating profit/(loss)	(276,992,642.60)	495,076,403.39	233,847,190.97	451,930,951.76
Total assets	78,076,551,111.19	27,682,107,613.17	(18,964,157,477.04)	86,794,501,247.32
Total liabilities	52,700,376,699.41	16,963,270,454.36	(10,132,371,098.57)	59,531,276,055.20

**(2) Other Information**

Geographical Information

Revenue from external transactions

	2025	2024
Mainland China	37,288,078,251.68	26,543,850,179.73
Other countries or regions	806,891,012.75	614,466,538.21
Total	38,094,969,264.43	27,158,316,717.94

Total non-current assets

	2025	2024
Mainland China	36,788,936,623.82	35,374,148,177.92
Other countries or regions	1,725,599,958.84	1,294,266,999.62
Total	38,514,536,582.66	36,668,415,177.54

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XV. Events after the Balance Sheet Date and Other Significant Matters (continued)**

**3. Segment Reporting (continued)**

**(2) Other Information (continued)**

Information on Major Customers

Revenue (representing income amounting to or exceeding 10% of the Group's revenue) of RMB 6,260,826,605.54 (2024: RMB 2,465,653,530.66) is derived from sales to a single customer within the high-end energy equipment manufacturing segment (including all entities under the control of such known customer).

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XVI. Notes to Significant Items in the Company's Financial Statements**

**1. Accounts Receivable**

**(1) Disclosure by ageing**

	2025	2024
within one year	10,484,315,898.98	7,529,559,574.77
1 to 2 years	3,086,652,942.54	2,483,448,762.84
2 to 3 years	1,694,324,526.12	2,444,370,516.53
3 to 4 years	1,552,640,313.90	969,717,170.12
4 to 5 years	487,283,763.29	224,873,245.45
Over 5 years	346,091,028.38	254,607,858.72
Subtotal	<u>17,651,308,473.21</u>	<u>13,906,577,128.43</u>
Less: Allowance for impairment of accounts receivable	<u>1,067,030,580.33</u>	<u>906,367,350.40</u>
Total	<u><u>16,584,277,892.88</u></u>	<u><u>13,000,209,778.03</u></u>

**2025**

	<u>Book balance</u>		<u>Provision for bad debts</u>		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment of receivables made on an individual basis	173,313,577.49	0.98	144,830,898.33	83.57	28,482,679.16
Provision for bad debts is accrued based on portfolios with similar credit risk characteristics.	<u>17,477,994,895.72</u>	<u>99.02</u>	<u>922,199,682.00</u>	<u>5.28</u>	<u>16,555,795,213.72</u>
Total	<u><u>17,651,308,473.21</u></u>	<u><u>100.00</u></u>	<u><u>1,067,030,580.33</u></u>	<u><u>6.05</u></u>	<u><u>16,584,277,892.88</u></u>

**2024**

	<u>Balance per the books</u>		<u>Provision for bad debts</u>		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment of receivables calculated on an individual basis	168,239,175.69	1.21	144,603,009.33	85.95	23,636,166.36
Provision for impairment losses is made in respect of credit risk characteristic portfolios.	<u>13,738,337,952.74</u>	<u>98.79</u>	<u>761,764,341.07</u>	<u>5.54</u>	<u>12,976,573,611.67</u>
Total	<u><u>13,906,577,128.43</u></u>	<u><u>100.00</u></u>	<u><u>906,367,350.40</u></u>	<u><u>6.52</u></u>	<u><u>13,000,209,778.03</u></u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**XVI. Notes to the Company's Financial Statements (continued)**

**1. Trade receivables (continued)**

**(2) Disclosure by classification of the method for provision for bad debts**

The status of trade receivables with individually significant allowances for doubtful accounts is as follows:

	2025			Reason for Provision	2024	
	Carrying balance	Provision for bad debts	Accrual Ratio (%)		Balance per the books	Provision for bad debts
Unit 1	71,426,400.00	71,426,400.00	100.00	Litigation Shortage of funds by the debtor	71,426,400.00	71,426,400.00
Unit 3	3,335,377.50	3,335,377.50	100.00		3,107,488.50	3,107,488.50
Unit 4	<u>20,607,999.99</u>	<u>20,607,999.99</u>	<u>100.00</u>		<u>20,607,999.99</u>	<u>20,607,999.99</u>
Total	<u>95,369,777.49</u>	<u>95,369,777.49</u>	<u>100.00</u>		<u>95,141,888.49</u>	<u>95,141,888.49</u>

As at 31 December 2025, the status of trade receivables with impairment losses provided on a portfolio basis is as follows:

	Carrying balance	Provision for impairment	Accrual Ratio (%)
High-end manufacturing business	<u>17,477,994,895.72</u>	<u>922,199,682.00</u>	<u>5.28</u>
Total	<u>17,477,994,895.72</u>	<u>922,199,682.00</u>	

**(3) Status of allowance for doubtful accounts**

The movement in the allowance for doubtful accounts receivable is as follows:

	Opening balance	Accrual for the current year	Closing balance
Provision for impairment of trade receivables	<u>906,367,350.40</u>	<u>160,663,229.93</u>	<u>1,067,030,580.33</u>
Total	<u>906,367,350.40</u>	<u>160,663,229.93</u>	<u>1,067,030,580.33</u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XVI. Notes to the Principal Items of the Company's Financial Statements (continued)**

**1. Trade receivables (continued)**

**(4) Details of the top five trade receivables and contract assets by debtor as at year-end**

	Accounts Receivable Closing balance	Contract assets Closing balance	Trade receivables and contract assets Closing balance	Proportion of the aggregate year-end balance of trade receivables and contract assets (%)	Provision for impairment of trade receivables and provision for impairment of contract assets Closing balance
Unit 6	816,848,057.74	1,316,011,805.73	2,132,859,863.47	8.03	89,248,124.81
Unit 5	1,119,957,939.83	546,255,504.76	1,666,213,444.59	6.27	18,494,969.23
Unit 7	711,599,028.01	490,371,000.00	1,201,970,028.01	4.53	13,341,867.31
Unit 8	253,634,332.60	816,380,360.76	1,070,014,693.36	4.03	101,032,936.96
Unit 9	101,512,024.95	841,373,830.20	942,885,855.15	3.55	25,404,993.50
Total	<u>3,003,551,383.13</u>	<u>4,010,392,501.45</u>	<u>7,013,943,884.58</u>	<u>26.41</u>	<u>247,522,891.81</u>

**2. Other receivables**

	2025	2024
Accrued Interest Receivable	-	-
Dividends receivable	-	18,979,170.00
Other receivables	<u>10,174,924,811.53</u>	<u>6,452,025,436.58</u>
Total	<u>10,174,924,811.53</u>	<u>6,471,004,606.58</u>

**Dividends receivable**

**(1) Classification of Dividends Receivable**

	2025	2024
Shenzhen Liangyun Energy Network Technology Co., Ltd.	-	<u>18,979,170.00</u>
Total	-	<u>18,979,170.00</u>

**Other receivables**

**(1) Disclosure by ageing**

	2025	2024
Within one year	9,285,418,349.12	3,854,254,911.84
1 to 2 years	625,434,037.70	2,256,657,909.82
2 to 3 years	17,202,741.38	343,740,467.15
3 to 4 years	279,000,032.55	5,656,614.03
4 to 5 years	5,434,252.08	33,713,107.31
more than 5 years	<u>16,925,023.85</u>	<u>16,276,003.09</u>
	10,229,414,436.68	6,510,299,013.24
Less: Allowance for impairment losses on other receivables	<u>54,489,625.15</u>	<u>58,273,576.66</u>
Total	<u>10,174,924,811.53</u>	<u>6,452,025,436.58</u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**XVI. Notes to the Company's Financial Statements (continued)**

**2. Other receivables (continued)**

**Other receivables (continued)**

**(2) Classification by nature of the item**

	2025	2024
Receivables and Payables	9,434,189,834.49	6,119,387,768.91
Margin deposits and petty cash	454,187,848.41	122,427,019.10
Consideration for the transfer of equity interests	317,242,985.67	248,432,115.67
Other	<u>23,793,768.11</u>	<u>20,052,109.56</u>
Total	<u>10,229,414,436.68</u>	<u>6,510,299,013.24</u>

**(3) Provision for bad debts**

**2025**

	Carrying balance		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment of receivables made on an individual basis	25,748,908.46	0.25	25,748,908.46	100.00	-
Provision for bad debts is accrued based on portfolios with similar credit risk characteristics.	<u>10,203,665,528.22</u>	<u>99.75</u>	<u>28,740,716.69</u>	<u>0.28</u>	<u>10,174,924,811.53</u>
Total	<u>10,229,414,436.68</u>	<u>100.00</u>	<u>54,489,625.15</u>	<u>0.53</u>	<u>10,174,924,811.53</u>

**2024**

	Balance per the books		Provision for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Accrual ratio (%)	
Provision for impairment of receivables made on an individual basis	25,748,908.46	0.40	25,748,908.46	100.00	-
Provision for bad debts is made based on portfolios with similar credit risk characteristics.	<u>6,484,550,104.78</u>	<u>99.60</u>	<u>32,524,668.20</u>	<u>0.50</u>	<u>6,452,025,436.58</u>
Total	<u>6,510,299,013.24</u>	<u>100.00</u>	<u>58,273,576.66</u>	<u>0.90</u>	<u>6,452,025,436.58</u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
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**XVI. Notes to the Principal Items of the Company's Financial Statements (continued)**

**2. Other receivables (continued)**

**Other Receivables (continued)**

**(3) Provision for Bad Debts (continued)**

The status of other receivables for which bad debt provisions have been accrued on an individual basis is as follows:

	2025			2024	
	Balance per the books	Provision for bad debts	Accrual Ratio (%)	Carrying balance	Provision for bad debts
Fujian Huaqing New Energy Co., Ltd.	10,000,000.00	10,000,000.00	100.00	10,000,000.00	10,000,000.00
Other	15,748,908.46	15,748,908.46	100.00	15,748,908.46	15,748,908.46
<b>Total</b>	<b>25,748,908.46</b>	<b>25,748,908.46</b>	<b>100.00</b>	<b>25,748,908.46</b>	<b>25,748,908.46</b>

At 31 December 2025, the status of other receivables with bad debt provisions calculated on a combined basis is as follows:

	Balance per the books	Provision for impairment	Accrual Ratio (%)
Receivables and Payables	50,212,856.18	4,386,407.39	8.74
Margin deposits and petty cash	454,039,478.41	6,260,556.63	1.38
Consideration for the transfer of equity interests	317,242,985.67	12,689,719.43	4.00
Other	11,049,345.41	718,472.81	6.50
Funds of subsidiaries	9,371,120,862.55	4,685,560.43	0.05
<b>Total</b>	<b>10,203,665,528.22</b>	<b>28,740,716.69</b>	<b>0.28</b>

The movement in the allowance for impairment losses on other receivables recognised based on expected credit losses over the next 12 months and over their entire life is as follows:

	Phase I Expected credit losses over the next 12 months	Phase II Expected credit losses over the entire life (where no credit impairment has occurred)	Phase III Expected credit losses over the entire life (credit-impaired)	Total
Opening balance	26,333,825.52	6,190,842.68	25,748,908.46	58,273,576.66
The opening balance was converted during the current phase transition.	(642,777.35)	642,777.35	-	-
Accrual for the current year	-	-	-	-
Reversal in the current year	(993,439.33)	(2,740,720.61)	-	(3,734,159.94)
Write-off for the current year	-	(49,791.57)	-	(49,791.57)
<b>Year-end balance</b>	<b>24,697,608.84</b>	<b>4,043,107.85</b>	<b>25,748,908.46</b>	<b>54,489,625.15</b>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XVI. Notes to the Company's Financial Statements (continued)**

**2. Other receivables (continued)**

**Other Receivables (continued)**

**(4) Status of allowance for doubtful accounts**

The movement in the allowance for impairment losses on other receivables is as follows:

	Opening balance	Accrual for the current year	Recovered or reversed in the current year	Write-off for the current year	Closing balance
Provision for impairment of other receivables	<u>58,273,576.66</u>	-	<u>(3,734,159.94)</u>	<u>(49,791.57)</u>	<u>54,489,625.15</u>
Total	<u>58,273,576.66</u>	-	<u>(3,734,159.94)</u>	<u>(49,791.57)</u>	<u>54,489,625.15</u>

**(5) The amounts of other receivables at the end of the year aggregated by debtor, for the top five debtors**

	Closing balance	Proportion of the total balance of other receivables (%)	Nature	Aging	Balance of provision for bad debts at year-end
Guangdong Ruifeng Technology Co., Ltd.	1,270,942,964.38	12.42	Receivables and Payables	Within 1 year	635,471.48
Shanwei Mingyang New Energy Technology Co., Ltd.	813,722,904.91	7.95	Receivables and Payables	Within 1 year	406,861.45
Turpan Yue Xiang Energy Co., Ltd.	674,473,090.05	6.59	Receivables and Payables	Within 1 year	337,236.55
Zhangjiakou Chabei District Yuneng New Energy Co., Ltd.	601,886,531.64	5.88	Receivables and Payables	Within 1 year	300,943.27
Turpan Xinyue New Energy Power Generation Co., Ltd.	<u>598,023,668.03</u>	<u>5.85</u>	Receivables and Payables	Within 1 year	<u>299,011.83</u>
Total	<u>3,959,049,159.01</u>	<u>38.69</u>			<u>1,979,524.58</u>

**3. Long-term equity investments**

**Status of Long-term Equity Investments**

	2025		2024		Carrying amount	
	Carrying balance	Provision for impairment	Balance per the books	Provision for impairment		
Investment in subsidiaries	13,758,315,024.86	-	13,758,315,024.86	12,375,632,731.71	-	12,375,632,731.71
Investment in associates	<u>900,100,610.46</u>	-	<u>900,100,610.46</u>	<u>451,053,093.49</u>	-	<u>451,053,093.49</u>
Total	<u>14,658,415,635.32</u>	-	<u>14,658,415,635.32</u>	<u>12,826,685,825.20</u>	-	<u>12,826,685,825.20</u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XVI. Notes to the Company's Consolidated Financial Statements (continued)**

**3. Long-term equity investments (continued)**

**Status of Long-term Equity Investments (continued)**

**Investment in subsidiaries**

	Beginning of the year Book balance	Beginning of the year Provision for impairment	Changes during the current period				End of the year Book balance	Year-end Provision for impairment
			Additional investment	Reduction of investment	Provision for impairment	Other		
Beijing Jieyuan New Energy Investment Co., Ltd.	2,526,584,706.83	-	-	-	-	389,779.47	2,526,974,486.30	-
Yangjiang Mingyang Yunhua Offshore Wind Power Development Co., Ltd.	1,750,860,000.00	-	-	-	-	-	1,750,860,000.00	-
Mingyang New Energy (International) Limited	697,188,750.00	-	286,136,000.00	-	-	1,907,066.14	985,231,816.14	-
Hainan Mingyang Smart Offshore Wind Power Development Co., Ltd.	944,405,000.00	-	-	-	-	24,765.06	944,429,765.06	-
Zhanjiang Mingyang BASF New Energy Co., Ltd.	207,000,000.00	-	693,000,000.00	-	-	-	900,000,000.00	-
Henan Mingyang New Energy Co., Ltd.	636,297,585.77	-	-	-	-	-	636,297,585.77	-
Henan Mingyang Smart Energy Co., Ltd.	600,793,706.84	-	-	-	-	8,255.02	600,801,961.86	-
Ruidexinyang New Energy Technology Co., Ltd.	554,565,956.80	-	-	-	-	-	554,565,956.80	-
Mingyang Smart Energy Group Beijing Technology Co., Ltd.	400,700,154.00	-	141,492,146.28	-	-	442,036.74	542,634,337.02	-
Inner Mongolia Mingyang New Energy Development Co., Ltd.	538,776,787.78	-	-	-	-	498,906.68	539,275,694.46	-
Guangdong Mingyang New Energy Technology Co., Ltd.	491,610,053.74	-	-	-	-	12,382.53	491,622,436.27	-
Tianjin Ruiyuan Electric Co., Ltd.	391,000,000.00	-	-	-	-	-	391,000,000.00	-
Qinghai Mingyang New Energy Co., Ltd.	213,700,000.00	-	50,000,000.00	-	-	-	263,700,000.00	-

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XVI. Notes to the Company's Consolidated Financial Statements (continued)**

**3. Long-term equity investments (continued)**

**Status of Long-term Equity Investments (continued)**

**Investment in subsidiaries (continued)**

	Beginning of the year		Changes during the current period				End of the year	
	Book balance	Provision for impairment	Additional investment	Reduction of investment	Provision for impairment	Other	Book balance	Year-end Provision for impairment
Tianjin Mingyang Wind Power Equipment Co., Ltd.	243,690,890.60	-	-	-	-	12,382.53	243,703,273.13	-
Yunnan Mingyang Wind Power Technology Co., Ltd.	189,238,300.00	-	6,200,000.00	-	-	8,255.02	195,446,555.02	-
Guangxi Mingyang Smart New Energy Technology Co., Ltd.	135,307,161.84	-	2,681,970.69	-	-	-	137,989,132.53	-
Xinjiang Wanbang Energy Development Co., Ltd.	124,423,919.97	-	-	-	-	-	124,423,919.97	-
Xinjiang Huaran New Energy Co., Ltd.	108,637,311.00	-	12,000,000.00	-	-	-	120,637,311.00	-
Mingyang Northern Smart Energy (Inner Mongolia) Co., Ltd.	100,000,000.00	-	9,500,000.00	-	-	24,765.06	109,524,765.06	-
Daqing Mingyang Smart Energy Co., Ltd.	-	-	104,715,000.00	-	-	-	104,715,000.00	-
Guangdong Mingyang Photovoltaic Industry Co., Ltd.	100,000,000.00	-	-	-	-	193,507.77	100,193,507.77	-
Xilin Gol League Mingyang New Energy Co., Ltd.	100,165,880.04	-	-	-	-	12,382.53	100,178,262.57	-
Zhangjiakou Mingyang Smart Energy Co., Ltd.	-	-	100,000,000.00	-	-	-	100,000,000.00	-
Guangdong Mingyang Film Technology Co., Ltd.	56,150,000.00	-	42,255,750.00	-	-	-	98,405,750.00	-
Dongfang Mingyang Technology New Energy Co., Ltd.	79,571,730.36	-	-	-	-	-	79,571,730.36	-
Tianjin Mingyang Wind Power Blade Technology Co., Ltd.	72,224,971.65	-	-	-	-	-	72,224,971.65	-
Henan Mingtai New Energy Co., Ltd.	65,730,000.00	-	-	-	-	-	65,730,000.00	-
Ming Yang Wind Power USA, Inc	64,756,728.58	-	-	-	-	-	64,756,728.58	-

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**XVI. Notes to the Company's Financial Statements (continued)**

**3. Long-term equity investments (continued)**

**Status of Long-term Equity Investments (continued)**

**Investment in subsidiaries (continued)**

	Beginning of the year book balance	Beginning of the year Provision for impairment	Changes during the current period				end of the year book balance	year-end Provision for impairment
			Additional investment	Reduction of investment	Provision for impairment	Other		
Mingyang Smart (Lingao) New Energy Technology Co., Ltd.	64,000,000.00	-	-	-	-	-	64,000,000.00	-
Zhongshan Ruiyang Investment Management Co., Ltd.	57,862,550.00	-	-	-	-	-	57,862,550.00	-
Guangdong Mingyang New Energy Materials Technology Co., Ltd.	51,229,065.17	-	-	-	-	282,949.40	51,512,014.57	-
Guangdong Mingyang Energy System Co., Ltd.	51,268,466.91	-	-	-	-	-	51,268,466.91	-
Shanwei Mingyang New Energy Technology Co., Ltd.	50,353,304.38	-	-	-	-	12,382.53	50,365,686.91	-
Zhongshan Mingyang Wind Power Equipment Co., Ltd.	50,000,000.00	-	-	-	-	-	50,000,000.00	-
Jieyang Mingyang New Energy Technology Co., Ltd.	50,000,000.00	-	-	-	-	-	50,000,000.00	-
Zhongshan Mingyang New Energy Technology Co., Ltd.	34,377,500.00	-	15,000,000.00	-	-	-	49,377,500.00	-
Mingyang Europe Business and Engineering Centre	12,901,741.75	-	27,217,170.00	-	-	-	40,118,911.75	-
Tibet Mingzhi New Energy Co., Ltd.	36,000,000.00	-	-	-	-	-	36,000,000.00	-

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**  
**XVI. Notes to the Company's Financial Statements (continued)**

**3. Long-term equity investments (continued)**

**Status of Long-term Equity Investments (Continued)**

**Investment in subsidiaries (continued)**

	Beginning of the year book balance	Beginning of the year Provision for impairment	Changes during the current period				end of the year book balance	year-end Provision for impairment
			Additional investment	Reduction of investment	Provision for impairment	Other		
Runyang Energy Technology Co., Ltd.	34,920,959.68	-	-	-	-	-	34,920,959.68	-
Gansu Mingyang Smart Energy Co., Ltd.	10,000,000.00	-	23,000,000.00	-	-	24,765.06	33,024,765.06	-
Guangdong Liangyun Technology Co., Ltd.	30,000,000.00	-	-	-	-	2,012,369.36	32,012,369.36	-
Fujian Mingyang New Energy Technology Co., Ltd.	30,390,546.71	-	-	-	-	-	30,390,546.71	-
Zhanjiang Mingyang New Energy Technology Co., Ltd.	28,356,600.12	-	-	-	-	-	28,356,600.12	-
Hainan Mingyang Smart Energy Co., Ltd.	27,030,000.00	-	-	-	-	-	27,030,000.00	-
Ningxia Mingyang New Energy Technology Co., Ltd.	26,200,000.00	-	-	-	-	-	26,200,000.00	-
Guangdong Tiancheng Ocean New Energy Co., Ltd.	22,300,000.00	-	-	-	-	-	22,300,000.00	-
Liquang Mingzhi New Energy Co., Ltd.	-	-	20,700,000.00	-	-	-	20,700,000.00	-
Guangdong Mingyang Jinpiao Technology Co., Ltd.	-	-	20,000,000.00	-	-	247,650.56	20,247,650.56	-
Inner Mongolia Mingyang New Energy Technology Co., Ltd.	20,000,000.00	-	-	-	-	-	20,000,000.00	-
Hubei Mingye New Energy Technology Co., Ltd.	20,000,000.00	-	-	-	-	-	20,000,000.00	-
Rushan Mingyang New Energy Technology Co., Ltd.	20,000,000.00	-	-	-	-	-	20,000,000.00	-
Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd.	-	-	11,389,522.22	-	-	7,789,519.81	19,179,042.03	-

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
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**XVI. Notes to the Company's Consolidated Financial Statements (continued)**

**3. Long-term equity investments (continued)**

**Details of Long-term Equity Investments (continued)**

**Investment in subsidiaries (continued)**

	Beginning of the	Beginning of the	Changes during the current period				end of the year	year-end
	year	year	Additional	Reduction of	Provision for	Other	book balance	Provision for
	book balance	Provision for	investment	investment	impairment		book balance	impairment
Mingyang Smart Energy Group Shanghai Co., Ltd.	17,197,035.12	-	-	-	-	-	17,197,035.12	-
Ming Yang Wind Power European R&D Centre ApS	13,959,127.94	-	2,241,018.00	-	-	-	16,200,145.94	-
Henan Mingyang New Material Technology Engineering Co., Ltd.	10,000,000.00	-	-	-	-	-	10,000,000.00	-
Guangxi Mingyang Smart Energy Co., Ltd.	3,656,078.75	-	3,670,000.00	-	-	-	7,326,078.75	-
Mingyang Energy Korea Co., Ltd.	3,168,296.20	-	-	-	-	-	3,168,296.20	-
Shanwei Mingyang Marine Equipment Engineering Technology Co., Ltd.	1,028,129.30	-	659,400.00	-	-	-	1,687,529.30	-
Mingyang New Energy Onshore Equipment Headquarters Group Co., Ltd.	-	-	1,000,000.00	-	-	-	1,000,000.00	-
Mingyang Smart Energy Vietnam Co., Ltd.	906,883.87	-	-	-	-	-	906,883.87	-
Mingyang New Energy Japan Co., Ltd.	526,414.52	-	-	-	-	-	526,414.52	-
Zhongshan Mingyang New Energy Technology Co., Ltd.	-	-	-	-	-	302,634.99	302,634.99	-
Guangdong Ruifeng Technology Co., Ltd.	-	-	-	-	-	237,995.19	237,995.19	-
Shenzhen Liangyun Energy Network Technology Co., Ltd.	2,012,369.36	-	-	-	-	(2,012,369.36)	-	-
Tianjin Ruineng Electric Co., Ltd.	1,907,066.13	-	0.01	-	-	(1,907,066.14)	-	-
Turpan Xinyang New Energy Industry Co., Ltd.	200,000,000.00	-	277,210,654.89	(477,210,654.89)	-	-	-	-
Hongjiang Xinyang New Energy Co., Ltd.	701,000.00	-	-	(701,000.00)	-	-	-	-
	12,375,632,731.71	-	1,850,068,632.09	(477,911,654.89)	-	10,525,315.95	13,758,315,024.86	-
<b>Total</b>								

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**XVI. Notes to the Company's Financial Statements (continued)**

**3. Long-term equity investments (continued)**

**Status of Long-term Equity Investments (continued)**

**Investments in associates and joint ventures**

	Beginning of the	the	Movements for the current year			year-end	year-end
	year	beginning of	Additional investment	Profit or loss on	Other	Balance per the books	Provision
	Carrying balance	Provision for		investments under the			for
		impairment		equity method			impairmen
							t
Associate							
CNOOC (Dongfang) Energy Co., Ltd.	-	-	450,000,000.00	38,812.62	-	450,038,812.62	-
Guangdong Yuecai Financial Leasing Co., Ltd.	439,621,649.49	-	-	7,002,022.21	-	446,623,671.70	-
Huaneng Mingyang New Energy Investment Co., Ltd.	3,327,573.18	-	-	50,695.59	-	3,378,268.77	-
Inner Mongolia Mingyang Northern Smart Energy Research Institute	60,678.13	-	-	(820.76)	-	59,857.37	-
Wuxi Mingyang Hydrogen Combustion Power Technology Co., Ltd.	8,043,192.69	-	-	(253,672.88)	(7,789,519.81)	-	-
Subtotal	451,053,093.49	-	450,000,000.00	6,837,036.78	(7,789,519.81)	900,100,610.46	-
Total	451,053,093.49	-	450,000,000.00	6,837,036.78	(7,789,519.81)	900,100,610.46	-

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**XVI. Notes to the Company's Financial Statements (continued)**

**4. Revenue and Cost of Sales**

**(1) Status of Operating Revenue and Operating Costs**

	2025		2024	
	Revenue	Cost	Revenue	Cost
Principal Business	34,890,401,021.01	33,045,756,119.84	24,153,436,782.49	23,477,232,480.12
Other Business	<u>358,216,279.35</u>	<u>253,539,963.39</u>	<u>1,213,128,910.99</u>	<u>971,986,122.20</u>
Total	<u>35,248,617,300.36</u>	<u>33,299,296,083.23</u>	<u>25,366,565,693.48</u>	<u>24,449,218,602.32</u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**XVI. Notes to the Company's Consolidated Financial Statements (continued)**

**4. Revenue and Cost of Sales (continued)**

**(2) Breakdown information of operating revenue and operating costs**

2025

Reportable Segment	Sales of products		Other		Total	
	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales
Product Type						
Principal Business	34,890,401,021.01	33,045,756,119.84	-	-	34,890,401,021.01	33,045,756,119.84
Other Business	-	-	358,216,279.35	253,539,963.39	358,216,279.35	253,539,963.39
<b>Total</b>	<b>34,890,401,021.01</b>	<b>33,045,756,119.84</b>	<b>358,216,279.35</b>	<b>253,539,963.39</b>	<b>35,248,617,300.36</b>	<b>33,299,296,083.23</b>
Operating Segments						
Domestic	34,536,851,471.91	32,725,881,703.46	358,216,279.35	253,539,963.39	34,895,067,751.26	32,979,421,666.85
Overseas	353,549,549.10	319,874,416.38	-	-	353,549,549.10	319,874,416.38
<b>Total</b>	<b>34,890,401,021.01</b>	<b>33,045,756,119.84</b>	<b>358,216,279.35</b>	<b>253,539,963.39</b>	<b>35,248,617,300.36</b>	<b>33,299,296,083.23</b>
Timing of the transfer of goods						
Transfer at a point in time	34,334,569,425.36	32,440,734,334.84	332,691,473.95	231,976,395.57	34,667,260,899.31	32,672,710,730.41
transfer over a period of time	555,831,595.65	605,021,785.00	-	-	555,831,595.65	605,021,785.00
Revenue outside the scope of revenue standards	-	-	25,524,805.40	21,563,567.82	25,524,805.40	21,563,567.82
<b>Total</b>	<b>34,890,401,021.01</b>	<b>33,045,756,119.84</b>	<b>358,216,279.35</b>	<b>253,539,963.39</b>	<b>35,248,617,300.36</b>	<b>33,299,296,083.23</b>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**XVI. Notes to the Principal Items of the Company's Financial Statements (continued)**

**4. Revenue and Cost of Sales (continued)**

**(2) Breakdown of Revenue and Cost of Sales (continued)**

2024

Reportable Segment	Sales of products		Other		Total	
	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales	Operating Revenue	Cost of Sales
Product Type						
Principal Business	24,153,436,782.49	23,477,232,480.12	-	-	24,153,436,782.49	23,477,232,480.12
Other Business	-	-	1,213,128,910.99	971,986,122.20	1,213,128,910.99	971,986,122.20
<b>Total</b>	<b>24,153,436,782.49</b>	<b>23,477,232,480.12</b>	<b>1,213,128,910.99</b>	<b>971,986,122.20</b>	<b>25,366,565,693.48</b>	<b>24,449,218,602.32</b>
Operating Segments						
Domestic	23,695,827,041.96	23,035,721,282.93	1,213,128,910.99	971,986,122.20	24,908,955,952.95	24,007,707,405.13
Overseas	457,609,740.53	441,511,197.19	-	-	457,609,740.53	441,511,197.19
<b>Total</b>	<b>24,153,436,782.49</b>	<b>23,477,232,480.12</b>	<b>1,213,128,910.99</b>	<b>971,986,122.20</b>	<b>25,366,565,693.48</b>	<b>24,449,218,602.32</b>
Timing of the transfer of goods						
Transfer at a point in time	24,153,436,782.49	23,477,232,480.12	1,191,475,478.20	953,060,995.46	25,344,912,260.69	24,430,293,475.58
transfer over a period of time	-	-	-	-	-	-
Revenue outside the scope of revenue standards	-	-	21,653,432.79	18,925,126.74	21,653,432.79	18,925,126.74
<b>Total</b>	<b>24,153,436,782.49</b>	<b>23,477,232,480.12</b>	<b>1,213,128,910.99</b>	<b>971,986,122.20</b>	<b>25,366,565,693.48</b>	<b>24,449,218,602.32</b>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statement (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**XVI. Notes to Significant Items in the Company's Financial Statements (continued)**

**5. Investment income**

	2025	2024
Income from long-term equity investments accounted for using the equity method	6,837,036.78	11,296,789.44
Investment income arising from the disposal of long-term equity investments	1,085,960.90	(15,737,061.61)
Investment income arising from the disposal of financial assets measured at fair value through profit or loss	99,417,346.61	172,750,440.54
Investment income received during the holding period of financial assets measured at fair value through profit or loss	650,741.63	920,756.36
Dividend income from other equity instruments	1,969,481.50	-
Interest income received on other non-current assets during the holding period	114,865,026.71	-
Income from long-term equity investments accounted for using the cost method	<u>221,227,900.00</u>	<u>230,376,196.42</u>
Total	<u>446,053,494.13</u>	<u>399,607,121.15</u>

**Mingyang Smart Energy Group Co., Ltd.**  
**Notes to the Financial Statements (continued)**  
**For The year Ended 31 December 2025**  
**[English Translation for Reference Only]**

**1. Statement of Non-recurring Gains and Losses**

	Amount
Gains or losses on disposal of non-current assets, including the reversal of amounts previously provided for impairment of assets.	(5,000,677.13)
Government grants recognised in profit or loss (excluding those closely related to normal operating activities, in accordance with national policy provisions, enjoyed based on established criteria, and having a continuing impact on profit or loss)	112,427,557.30
Except for effective hedging activities related to normal operating business, the gains or losses arising from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, as well as the gains or losses arising from the disposal of financial assets and financial liabilities.	121,063,685.11
Profits or losses from entrusting others to invest in or manage assets	55,339,335.09
Reversal of impairment provision for receivables tested for impairment individually	1,237,781.97
Other non-operating income and expenses other than the aforementioned items	<u>(76,575,172.48)</u>
Subtotal	208,492,509.86
Less: Income tax effect	<u>36,682,622.44</u>
Subtotal	171,809,887.42
Less: Impact of non-controlling interests (net of tax)	<u>(116,905.82)</u>
Total	<u><u>171,926,793.24</u></u>

**2. Return on Net Assets and Earnings per Share**

	Return on weighted average net assets (%)	Earnings per share	
		Basic	Dilution
Net profit attributable to ordinary shareholders of the Company	2.49	0.3069	0.3068
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	1.84	0.2269	0.2269