XINYI SOLAR HOLDINGS LIMITED
信義光能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00968)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Six Months Ended 30 June		
	2025	2024	Change
	RMB million	*RMB million* (Restated)	
Revenue	**10,931.8**	11,693.9	– 6.5%
Profit attributable to equity holders of the Company	**745.8**	1,810.8	– 58.8%
Earnings per share - Basic	**8.21 RMB cents**	20.33 RMB cents	– 59.6%
Interim dividend per share	**4.2 HK cents**	10.0 HK cents	

The board (the "**Board**") of directors (the "**Directors**") of Xinyi Solar Holdings Limited (the "**Company**" or "**Xinyi Solar**" together with its subsidiaries, the "**Group**") announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025 (the "**1H2025**"), together with the comparative figures for the six months ended 30 June 2024 (the "**1H2024**"), as follows:

Condensed Consolidated Income Statement

	Note	**Six months ended 30 June** **2025** ***RMB'000*** ***(Unaudited)***	2024 *RMB'000* *(Unaudited)* (Restated) (Note 2)
Revenue	3	**10,931,769**	11,693,929
Cost of sales	6	**(8,933,233)**	(8,553,752)
Gross profit		**1,998,536**	3,140,177
Other income	4	**200,285**	159,095
Other losses, net	5	**(66,737)**	(37,283)
Selling and marketing expenses	6	**(71,526)**	(51,625)
Administrative and other operating expenses	6	**(444,822)**	(547,327)
Impairment losses on property, plant and equipment	11	**(313,667)**	—
Net impairment losses on financial and contract assets		**(6,471)**	(19,059)
Operating profit		**1,295,598**	2,643,978
Finance income	7	**5,944**	18,378
Finance costs	7	**(173,065)**	(220,942)
Share of net profits of investments accounted for using the equity method	13	**14,425**	13,519
Profit before income tax		**1,142,902**	2,454,933
Income tax expense	8	**(139,791)**	(467,051)
Profit for the period		**1,003,111**	1,987,882
Profit for the period attributable to:			
– the equity holders of the Company		**745,755**	1,810,808
– non-controlling interests		**257,356**	177,074
		1,003,111	1,987,882
Earnings per share attributable to the equity holders of the Company (Expressed in RMB cents per share)			
– Basic and diluted	9	**8.21**	20.33

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
		(Note 2)
Profit for the period	**1,003,111**	1,987,882
Other comprehensive income for the period, net of tax:		
Items that will not be reclassified to profit or loss		
Currency translation differences	**(248,330)**	137,418
Items that may be reclassified to profit or loss		
Currency translation differences	**391,728**	(266,557)
Share of other comprehensive income of investments accounted for using the equity method		
– Share of currency translation differences	**(1,319)**	1,469
Total comprehensive income for the period	**1,145,190**	1,860,212
Total comprehensive income for the period attributable to:		
– the equity holders of the Company	**888,542**	1,759,939
– non-controlling interests	**256,648**	100,273
	1,145,190	1,860,212

Condensed Consolidated Balance Sheet

	Note	As at **30 June 2025** ***RMB'000*** ***(Unaudited)***	31 December 2024 *RMB'000* *(Audited)*
Non-current assets			
Property, plant and equipment	11	**35,466,514**	36,167,785
Right-of-use assets	12	**2,187,970**	2,175,439
Intangible assets		**27,892**	29,346
Prepayments for land use rights and property, plant and equipment	15	**420,063**	415,867
Finance lease receivables		**166,209**	167,974
Investments accounted for using the equity method	13	**257,567**	244,455
Deferred income tax assets		**210,404**	168,677
Total non-current assets		**38,736,619**	39,369,543
Current assets			
Inventories		**1,973,654**	2,856,039
Contract assets		**31,940**	33,321
Trade receivables	14	**10,110,382**	8,541,364
Bills receivables at amortised cost	14	**2,485,518**	3,046,843
Bills receivables at fair value through other comprehensive income ("**FVOCI**")	14	**797,296**	280,756
Financial assets at fair value through profit or loss		**60,605**	58,243
Prepayments, deposits and other receivables	15	**1,245,839**	1,494,623
Finance lease receivables		**12,566**	11,881
Current tax assets		**147,524**	204,030
Amounts due from related companies	21(b)	**197**	887
Amounts due from investments accounted for using the equity method	21(b)	**57,980**	62,421
Loan to an investment accounted for using the equity method	21(b)	**7,968**	—
Restricted cash		**21,624**	19,589
Fixed bank deposits		**149,000**	131,338
Cash and cash equivalents		**2,865,456**	821,606
Total current assets		**19,967,549**	17,562,941
Total assets		**58,704,168**	56,932,484

	Note	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	17	**738,830**	738,830
Share premium and other reserves		**10,304,773**	10,148,435
Retained earnings		**18,905,574**	18,164,525
		29,949,177	29,051,790
Non-controlling interests		**5,509,201**	5,356,082
Total equity		**35,458,378**	34,407,872
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**147,687**	150,349
Borrowings	18	**6,291,421**	5,496,799
Lease liabilities		**886,243**	831,625
Other payables		**617,492**	701,967
Total non-current liabilities		**7,942,843**	7,180,740
Current liabilities			
Borrowings	18	**6,913,969**	6,143,255
Trade, bills and other payables	16	**6,164,626**	7,132,305
Contract liabilities		**80,787**	79,421
Lease liabilities		**66,528**	71,716
Amounts due to related companies	21(b)	**1,870,731**	1,852,132
Dividend payable		**100,130**	—
Current income tax liabilities		**106,176**	65,043
Total current liabilities		**15,302,947**	15,343,872
Total liabilities		**23,245,790**	22,524,612
Total equity and liabilities		**58,704,168**	56,932,484

Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company (Unaudited)						
	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2025	738,830	5,595,254	4,553,181	18,164,525	29,051,790	5,356,082	34,407,872
Comprehensive income							
Profit for the period	–	–	–	745,755	745,755	257,356	1,003,111
Other comprehensive income							
Currency translation differences	–	–	144,106	–	144,106	(714)	143,392
Share of other comprehensive income of investments accounted for using the equity method	–	–	(1,319)	–	(1,319)	6	(1,313)
Total comprehensive income for the period	–	–	142,787	745,755	888,542	256,648	1,145,190
Transactions with owners							
Employee's share option scheme							
– value of employee services	–	–	6,336	–	6,336	80	6,416
– release upon the lapse of share options	–	–	(946)	946	–	–	–
Dividend payable to non- controlling interests	–	–	–	–	–	(100,339)	(100,339)
Net movement of safety fund surplus reserve	–	–	5,652	(5,652)	–	–	–
Changes in ownership interest in subsidiaries without loss of control (Note 20)	–	–	2,509	–	2,509	(3,270)	(761)
Balance at 30 June 2025	738,830	5,595,254	4,709,519	18,905,574	29,949,177	5,509,201	35,458,378

	Attributable to equity holders of the Company (Unaudited)						
	Share capital *RMB'000* (Restated) (Note 2)	Share premium *RMB'000* (Restated) (Note 2)	Other reserves *RMB'000* (Restated) (Note 2)	Retained earnings *RMB'000* (Restated) (Note 2)	Total *RMB'000* (Restated) (Note 2)	Non-controlling interests *RMB'000* (Restated) (Note 2)	Total equity *RMB'000* (Restated) (Note 2)
Balance at 1 January 2024	723,002	6,294,092	3,897,767	18,223,203	29,138,064	5,357,035	34,495,099
Comprehensive income							
Profit for the period	—	—	—	1,810,808	1,810,808	177,074	1,987,882
Other comprehensive income							
Currency translation differences	—	—	(52,338)	—	(52,338)	(76,801)	(129,139)
Share of other comprehensive income of investments accounted for using the equity method	—	—	1,469	—	1,469	—	1,469
Total comprehensive income/(loss) for the period	—	—	(50,869)	1,810,808	1,759,939	100,273	1,860,212
Transactions with owners							
Employee's share option scheme							
– exercise of employees' share options	612	32,480	(6,236)	—	26,856	—	26,856
– value of employee services	—	—	24,256	—	24,256	31	24,287
Dividend relating to 2023	—	(1,237,183)	—	—	(1,237,183)	—	(1,237,183)
Dividend payable to non-controlling interests	—	—	—	—	—	(96,181)	(96,181)
Appropriation to statutory reserves	—	—	1,654	(1,654)	—	—	—
Net movement of safety fund surplus reserve	—	—	4,457	(4,457)	—	—	—
Changes in ownership interest in subsidiaries without loss of control	—	—	56,558	—	56,558	(70,611)	(14,053)
Balance at 30 June 2024	723,614	5,089,389	3,927,587	20,027,900	29,768,490	5,290,547	35,059,037

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
		(Note 2)
Cash flows from operating activities		
Cash generated from operations	**1,819,974**	1,884,411
Interest paid	**(158,133)**	(242,837)
Income tax paid	**(94,397)**	(496,683)
Net cash generated from operating activities	**1,567,444**	1,144,891
Cash flows from investing activities		
Payments for acquisition of right-of-use assets	**(1,826)**	(75,401)
Payments for purchases of property, plant and equipment	**(1,126,014)**	(2,733,440)
Receipts of government grants relating to property, plant and equipment	**79,450**	49,260
Proceeds from disposal of property, plant and equipment	**7,859**	2,926
Addition to investment accounted for using the equity method	**—**	(672)
Cash advanced to an investment accounted for using the equity method	**—**	(27,568)
Loan to an investment accounted for using the equity method	**(5,733)**	—
Net proceeds from financial assets at fair value through profit or loss	**191**	4,743
Interest received	**5,944**	18,378
Increase in restricted cash pledged for letter of guarantees and bank acceptance bills	**(17,662)**	—
Restricted cash released from letter of guarantees and bank acceptance bills	**3,235**	—
Net cash used in investing activities	**(1,054,556)**	(2,761,774)

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
		(Note 2)
Cash flows from financing activities		
Proceeds from exercise of employees' share options	**—**	26,856
Net proceeds from issuance of fixed-rate bonds	**799,040**	—
Proceeds from borrowings	**3,367,918**	4,529,057
Repayment of borrowings	**(2,658,456)**	(3,840,657)
Cash advance from non-controlling interests	**61,453**	258,810
Principal element of lease payments	**(35,892)**	(42,605)
Net cash generated from financing activities	**1,534,063**	931,461
Net increase/(decrease) in cash and cash equivalents	**2,046,951**	(685,422)
Cash and cash equivalents at beginning of the period	**821,606**	2,572,275
Effect of foreign exchange rate changes	**(3,101)**	10,460
Cash and cash equivalents at end of the period	**2,865,456**	1,897,313

Notes to the Condensed Consolidated Financial Information

1 GENERAL INFORMATION

Xinyi Solar Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") are principally engaged in the production and sale of solar glass products, which are carried out internationally, through the production complexes located in the People's Republic of China (the "**PRC**") and Malaysia. In addition, the Group is also engaged in the development and operation of solar farms in the PRC.

This unaudited condensed consolidated interim financial information is presented in thousands of Chinese Renminbi (RMB'000), unless otherwise stated. This unaudited condensed consolidated interim financial information was approved for issue by the Board of Directors on 1 August 2025.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Hong Kong Accounting Standards ("**HKAS**") 34, 'Interim financial reporting' issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

Change in presentation currency

As disclosed in the Company's announcement dated 24 December 2024, the presentation currency of the consolidated financial statements of the Group has been changed from Hong Kong dollars ("**HKD**") to Renminbi ("**RMB**"). To conform with the current period presentation, certain comparative amounts in the condensed consolidated financial statements for the six months ended 30 June 2025 have been restated as if RMB had always been the presentation currency of the consolidated financial statements.

Change in accounting policy

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in those annual financial statements.

(a) Amendments to standards adopted by the Group

The Group has adopted the below amendments to standards for the first time for its accounting period commencing 1 January 2025. The adoption of these amendments to standards did not have a material impact on the Group in the current or prior periods.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

(b) Amendments to standards issued but not yet effective for the accounting period beginning on 1 January 2025 and not early adopted by the Group

		Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS10 and HKAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing the impact of these amendments to standards. The preliminary assessment indicated that the adoption of which is not expected to have any significant impact on the financial performance and the financial position of the Group.

3 REVENUE AND SEGMENT INFORMATION

Revenue recognised during the period is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Sales of solar glass	**9,474,148**	10,221,499
Solar farm business		
– Sales of electricity	**912,847**	898,402
– Tariff adjustment	**524,704**	529,521
	1,437,551	1,427,923
Others		
– Sales of mining products and consumables	**1,367**	35,821
– Other service income	**18,703**	8,686
	20,070	44,507
Total revenue	**10,931,769**	11,693,929

Management has determined the operating segments based on the reports reviewed by the Executive Directors that are used to make strategic decisions.

The Executive Directors consider the business from product type perspective. Generally, the Executive Directors consider the performance of business of each product type within the Group separately. Thus, the performance of each product type within the Group is an individual operating segment.

For the six months ended 30 June 2025, there are two operating segments based on business type: (1) sales of solar glass and (2) solar farm business, which includes solar farm development and solar power generation. The "Other Segment" and "Unallocated" mainly include the non-core businesses of the Group such as polysilicon business (which has not yet commenced operations), engineering, procurement and construction services and sales of mining products.

The Executive Directors assess the performance of the operating segments based on a measure of gross profit. The Group does not allocate operating costs to its segments as this information is not reviewed by the Executive Directors.

The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the interim condensed consolidated income statement.

The segment information for the six months ended 30 June 2025 and 2024 is as follows:

	Six months ended 30 June 2025 (Unaudited)				
	Sales of solar glass *RMB'000*	**Solar farm business** *RMB'000*	**Other segment** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Segment revenue					
Recognised at a point in time	**9,474,148**	**1,437,551**	**—**	**1,367**	**10,913,066**
Recognised over time	**—**	**—**	**—**	**18,703**	**18,703**
Revenue from external customers	**9,474,148**	**1,437,551**	**—**	**20,070**	**10,931,769**
Cost of sales	**(8,394,748)**	**(524,116)**	**—**	**(14,369)**	**(8,933,233)**
Gross profit	**1,079,400**	**913,435**	**—**	**5,701**	**1,998,536**
Segment revenue by geographical area					
Mainland China	**6,482,850**	**1,436,543**	**—**	**13,072**	**7,932,465**
Other areas in Asia	**2,033,644**	**—**	**—**	**—**	**2,033,644**
North America and Europe	**763,489**	**1,008**	**—**	**6,998**	**771,495**
Others	**194,165**	**—**	**—**	**—**	**194,165**
	9,474,148	**1,437,551**	**—**	**20,070**	**10,931,769**
Depreciation charge of property, plant and equipment	**680,408**	**401,426**	**660**	**1,109**	**1,083,603**
Depreciation charge of rights-of-use assets	**13,861**	**28,563**	**1,499**	**6**	**43,929**
Amortisation charge of intangible assets	**1,427**	**—**	**—**	**27**	**1,454**
Additions to non-current assets (other than finance lease receivables and deferred income tax assets)	**371,417**	**371,942**	**46,099**	**4,081**	**793,539**

	Six months ended 30 June 2024 (Unaudited) (Restated)				
	Sales of solar glass *RMB'000*	Solar farm business *RMB'000*	Other segment *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Segment revenue					
Recognised at a point in time	10,221,499	1,427,923	—	35,821	11,685,243
Recognised over time	—	—	—	8,686	8,686
Revenue from external customers	10,221,499	1,427,923	—	44,507	11,693,929
Cost of sales	(8,024,678)	(491,681)	—	(37,393)	(8,553,752)
Gross profit	2,196,821	936,242	—	7,114	3,140,177
Segment revenue by geographical area					
Mainland China	7,777,693	1,426,690	—	36,425	9,240,808
Other areas in Asia	2,017,762	—	—	—	2,017,762
North America and Europe	235,850	1,233	—	8,082	245,165
Others	190,194	—	—	—	190,194
	10,221,499	1,427,923	—	44,507	11,693,929
Depreciation charge of property, plant and equipment	510,997	368,314	619	2,798	882,728
Depreciation charge of rights-of-use assets	17,760	27,747	97	479	46,083
Amortisation charge of intangible assets	566	—	—	676	1,242
Additions to non-current assets (other than finance lease receivables and deferred income tax assets)	2,069,567	919,464	491,355	47,832	3,528,218

Reportable segment assets/liabilities are as follows:

	Assets and liabilities					
	Sales of solar glass ***RMB'000***	**Solar farm business** ***RMB'000***	**Other segment** ***RMB'000***	**Unallocated** ***RMB'000***	**Inter-segment eliminations** ***RMB'000***	**Total** ***RMB'000***
At 30 June 2025 (Unaudited)						
Total assets	**33,651,139**	**26,457,258**	**4,930,772**	**3,686,944**	**(10,021,945)**	**58,704,168**
Total liabilities	**14,222,384**	**10,684,033**	**4,664,613**	**3,696,705**	**(10,021,945)**	**23,245,790**
At 31 December 2024 (Audited)						
Total assets	30,540,711	24,114,283	4,851,759	3,750,897	(6,325,166)	56,932,484
Total liabilities	11,709,199	8,180,249	4,643,145	4,317,185	(6,325,166)	22,524,612

Reportable segment assets/(liabilities) are reconciled to total assets/(liabilities) as follows:

	Assets as at		**Liabilities as at**	
	30 June 2025	31 December 2024	**30 June 2025**	31 December 2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	*(Audited)*	***(Unaudited)***	*(Audited)*
Segment assets/(liabilities)	**65,039,169**	59,506,753	**(29,571,030)**	(24,532,593)
Unallocated items:				
Property, plant and equipment	**188,125**	169,591	**—**	—
Right-of-use assets	**42,540**	43,841	**—**	—
Intangible assets	**5,889**	6,566	**—**	—
Prepayments for land use rights and property, plant and equipment	**23,695**	21,517	**—**	—
Finance lease receivables	**178,774**	179,855	**—**	—
Investments accounted for using the equity method	**257,567**	244,454	**—**	—
Inventories	**5,809**	21,224	**—**	—
Trade and bills receivables	**14,371**	25,949	**—**	—
Prepayments, deposits and other receivables	**31,932**	26,088	**—**	—
Contract assets	**8,647**	10,028	**—**	—
Amounts due from related companies	**2,895,959**	2,978,720	**—**	—
Restricted cash	**2,556**	2,072	**—**	—
Cash and cash equivalents	**23,081**	13,564	**—**	—
Deferred income tax assets	**7,003**	7,183	**—**	—
Current income tax assets	**996**	245	**—**	—
Dividend payable	**—**	—	**(97)**	—
Trade, bills and other payables	**—**	—	**(95,559)**	(97,707)
Contract liabilities	**—**	—	**(8,291)**	(5,587)
Current income tax liabilities	**—**	—	**—**	(287)
Lease liabilities	**—**	—	**(760)**	(2,247)
Amounts due to related companies	**—**	—	**(499,609)**	(478,833)
Deferred income tax liabilities	**—**	—	**(11,050)**	(11,366)
Borrowings	**—**	—	**(3,081,339)**	(3,721,158)
Inter-segment elimination	**(10,021,945)**	(6,325,166)	**10,021,945**	6,325,166
Total assets/(liabilities)	**58,704,168**	56,932,484	**(23,245,790)**	(22,524,612)

A reconciliation of segment gross profit to profit before income tax is provided as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Segment gross profit	**1,992,835**	3,133,063
Unallocated gross profit	**5,701**	7,114
Total gross profit	**1,998,536**	3,140,177
Other unallocated items:		
Other income	**200,285**	159,095
Other losses, net	**(66,737)**	(37,283)
Selling and marketing expenses	**(71,526)**	(51,625)
Administrative and other operating expenses	**(444,822)**	(547,327)
Impairment losses on property, plant and equipment	**(313,667)**	—
Net impairment losses on financial and contract assets	**(6,471)**	(19,059)
Finance income	**5,944**	18,378
Finance costs	**(173,065)**	(220,942)
Share of net profits of investments accounted for using the equity method	**14,425**	13,519
Profit before income tax	**1,142,902**	2,454,933

An analysis of the Group's non-current assets other than finance lease receivables and deferred income tax assets by geographical area in which the assets are located is as follows:

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
The PRC	**35,140,637**	36,098,935
Other countries	**3,219,369**	2,933,957
	38,360,006	39,032,892

4 OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Government grants	**116,582**	65,034
Scrap sales	**40,180**	64,706
Insurance compensation income	**22,936**	4,585
Tariff adjustments for electricity generation from self-used solar power system	**8,271**	1,642
Compensation income from suppliers	**2,334**	13,010
Others (Note)	**9,982**	10,118
	200,285	159,095

Note: They mainly comprise rental and other miscellaneous income.

5 OTHER LOSSES, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Foreign exchange (losses)/gains, net	**(47,410)**	8,381
Losses on disposal of bills receivables at FVOCI	**(13,663)**	(30,386)
Losses on disposal of property, plant and equipment	**(7,729)**	(10,414)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	**2,553**	(4,864)
Others	**(488)**	—
	(66,737)	(37,283)

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and administrative and other operating expenses are analysed as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Amortisation charge of intangible assets	**1,454**	1,242
Depreciation charge of property, plant and equipment	**1,083,603**	882,728
Depreciation charge of rights-of-use assets	**43,929**	46,083
Employee benefit expenses (including directors' emoluments)	**597,271**	592,689
Cost of inventories	**6,706,803**	6,707,539
Other direct operating costs of solar farms	**49,175**	54,675
Construction contracts costs	**11,814**	2,169
Provision/(reversal) of impairment losses on inventories	**1,239**	(1,007)
Losses on production suspension	**7,731**	—
Payments in relation to short term leases of land and buildings	**1,980**	1,379
Transportation costs	**442,483**	348,117
Research and development expenditures	**279,720**	301,035
Tax and levies	**115,358**	92,676
Other expenses	**107,021**	123,379
	9,449,581	9,152,704

7 FINANCE INCOME AND FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Finance income		
Interest income from bank deposits	**5,632**	18,378
Interest income on loan to an investment accounted for using the equity method	**312**	—
	5,944	18,378
Finance costs		
Interest for lease liabilities	**28,856**	30,973
Interest on borrowings	**175,182**	230,090
Interest on fixed rate bonds	**187**	—
	204,225	261,063
Less: Amounts capitalised on qualifying assets	**(31,160)**	(40,121)
	173,065	220,942

8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
		(Restated)
Current income tax		
PRC corporate income tax ("**CIT**") (Note (b))	**189,016**	462,707
Overseas income tax (Note (c))	**821**	97
PRC withholding tax (Note (d))	**2,672**	23,064
Overprovision in prior years	**(1,234)**	—
	191,275	485,868
Deferred income tax (Note (e))	**(51,484)**	(18,817)
Income tax expense	**139,791**	467,051

Notes:

(a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.

(b) The applicable CIT rate for the Group's major subsidiaries in the PRC is 25% except that:

- For the six months ended 30 June 2025, three (2024: three) subsidiaries engaging in solar glass business and a (2024: one) subsidiary engaging in solar farm business are qualified as "High and New Technology Enterprise" and can enjoy a preferential CIT rate of 15% (2024: 15%).

- For the six months ended 30 June 2025, two (2024: two) subsidiaries engaging in solar glass business, two (2024: one) subsidiary engaging in solar farm business, one (2024: one) subsidiary in mining products business and a (2024: one) subsidiary in the silicon products business (together as "**Encouraged Subsidiaries**") are qualified as "Encouraged Enterprise" in the Catalogue of Industries Encouraged for Foreign Investment in Central and Western Region and can enjoy a preferential CIT rate of 15% (2024: 15%). Three of the Encouraged Subsidiaries in Guangxi Zhuang Autonomous Region enjoyed a reduced CIT rate of 9% for five years, starting from their first revenue-generating year. This tax benefit ended in 2024.

- Subsidiaries engaging in the operation and management of solar farms are fully exempted from the CIT for three years starting from its first year of revenue generation, followed by 50% reduction in CIT in next three years. However, their government grants and insurance claims received are subject to the CIT rate of 25% (2024: 25%).

(c) Taxation on overseas profits mainly include Malaysia income tax which has been calculated on the estimated assessable profits for the period at the standard Malaysia corporate income tax rates of 24% (2024: 24%). A subsidiary of the Group in Malaysia is entitled to Investment Tax Allowance ("**ITA**") on qualifying capital expenditures incurred during the eligible period, which can be offset against its assessable profits, subject to the fulfilment of certain specified conditions ("**ITA Conditions**"). Since all ITA conditions have been satisfied during the six months ended 30 June 2025, a deferred tax asset of RMB70,947,000 (2024: RMB50,888,000) has been recognised to the extent that future taxable profits are available to utilise the ITA.

(d) Withholding tax on remitted earnings

Withholding tax is levied on dividends declared to foreign investors by the foreign investment enterprises established in the PRC, in respect of earnings generated after 31 December 2007. For the six months ended 30 June 2025, dividends remitted from the PRC subsidiaries were subject to 5% withholding tax.

(e) Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

9 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	*(Unaudited)*
		(Restated)
Profit attributable to equity holders of the Company (RMB'000)	**745,755**	1,810,808
Weighted average number of ordinary shares in issue (thousands)	**9,078,447**	8,907,292
Basic earnings per share (RMB cents)	**8.21**	20.33

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2025 and 2024, diluted earnings per share equal basic earnings per share as there were no potential dilutive shares.

10 DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	*(Unaudited)*
		(Restated)
2023 final dividend of 10.0 HK cents per share	**—**	1,237,183
Proposed interim dividend of 4.2 HK cents (2024: 10.0 HK cents) per share	**348,580**	827,585

At a meeting of the Board held on 1 August 2025, the Directors resolved to declare an interim dividend of 4.2 HK cents per share for the six months ended 30 June 2025. The amount of 2025 interim dividend is based on 9,078,447,365 shares in issue as at 30 June 2025. This interim dividend is not reflected as a dividend payable in this unaudited condensed consolidated financial information, but will be deducted from the retained earnings of the Company in the year ending 31 December 2025.

11 PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June 2025 (Unaudited)						
	Freehold Land *RMB'000*	Buildings *RMB'000*	Plant and machinery *RMB'000*	Solar Farms *RMB'000*	Office Equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Net book amount at 1 January	**366,679**	**3,535,721**	**9,791,472**	**16,319,169**	**35,766**	**6,118,978**	**36,167,785**
Additions	**—**	**33,110**	**94,449**	**2,706**	**7,214**	**579,298**	**716,777**
Transfer	**—**	**346,081**	**192,967**	**325,585**	**185**	**(864,818)**	**—**
Government grants netted off	**—**	**—**	**(79,450)**	**—**	**—**	**—**	**(79,450)**
Disposals	**—**	**(3,165)**	**(295)**	**(9,737)**	**(2)**	**(2,389)**	**(15,588)**
Depreciation charge	**—**	**(59,997)**	**(634,626)**	**(413,119)**	**(3,245)**	**—**	**(1,110,987)**
Impairment losses (Note)	**—**	**—**	**(313,667)**	**—**	**—**	**—**	**(313,667)**
Currency translation differences	**12,833**	**42,903**	**44,877**	**1,171**	**108**	**(248)**	**101,644**
Net book amount at 30 June	**379,512**	**3,894,653**	**9,095,727**	**16,225,775**	**40,026**	**5,830,821**	**35,466,514**

Note: To manage inventory levels more effectively amid the supply-demand imbalance in the solar glass market, certain production facilities within the Group's solar glass segment have ceased operations ahead of their expected useful lives or scheduled maintenance dates. These facilities are now awaiting repairs, refurbishment, and replacement. After assessing potential transformation, relocation, or alternative uses, the Group conducted an impairment review for equipment no longer viable for production. The impairment provision was determined based on the difference between the assets' carrying amounts and their recoverable amounts. The recoverable amount — estimated using quotes from independent third parties or historical sales prices of comparable assets — typically ranged between 0% and 10% of the original cost. Accordingly, impairment losses of RMB313,667,000 were recognised for the six months ended 30 June 2025 in respect of these impaired assets.

12 RIGHT-OF-USE ASSETS

	Six months ended 30 June 2025 *RMB'000* *(Unaudited)*
Net book amount at 1 January	**2,175,439**
Additions	**72,567**
Depreciation charge	**(52,557)**
Currency translation differences	**(7,479)**
Net book amount at 30 June	**2,187,970**

13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Six months ended 30 June 2025 *RMB'000* *(Unaudited)*
At 1 January	**244,455**
Share of net profits	**14,425**
Currency translation differences	**(1,313)**
At 30 June	**257,567**

14 TRADE AND BILLS RECEIVABLES

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade receivables	**10,186,510**	8,611,010
Less: Loss allowance	**(76,128)**	(69,646)
Trade receivables, net	**10,110,382**	8,541,364
Bills receivables at amortised cost	**2,488,708**	3,050,263
Less: Loss allowance	**(3,190)**	(3,420)
Bills receivables at amortised cost, net	**2,485,518**	3,046,843
Bills receivables at FVOCI	**797,296**	280,756

Breakdown of trade receivables by segment is as follows:

	Sales of solar glass	**Solar farm business**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
At 30 June 2025 (Unaudited)				
Sales of solar glass	**4,603,181**	**—**	**—**	**4,603,181**
Sales of electricity	**—**	**223,880**	**—**	**223,880**
Tariff adjustment	**—**	**5,342,523**	**—**	**5,342,523**
Other service revenue	**—**	**—**	**16,926**	**16,926**
Total	**4,603,181**	**5,566,403**	**16,926**	**10,186,510**
At 31 December 2024 (Audited)				
Sales of solar glass	3,634,707	—	—	3,634,707
Sales of electricity	—	211,257	—	211,257
Tariff adjustment	—	4,747,320	—	4,747,320
Other service revenue	—	—	17,726	17,726
Total	3,634,707	4,958,577	17,726	8,611,010

The ageing analysis of the trade receivables based on invoice date is as follows:

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
0 - 90 days	**9,569,581**	8,245,448
91 - 180 days	**579,843**	272,582
181 - 365 days	**16,443**	90,099
1 - 2 years	**17,883**	128
Over 2 years	**2,760**	2,753
	10,186,510	8,611,010

The ageing analysis of trade receivables of solar farm business based on the Group's revenue recognition policy is as follows:

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
0 - 90 days	**521,852**	447,046
91 - 180 days	**263,990**	365,812
181 - 365 days	**636,771**	610,647
1 - 2 years	**1,239,077**	1,018,719
Over 2 years	**2,904,713**	2,516,353
	5,566,403	4,958,577

The maturity of the bills receivables is within 1 year. As at 30 June 2025, bills receivables of RMB80,378,000 (31 December 2024: RMB82,189,000) was pledged as collaterals for obtaining letter of credit facilities in the PRC.

Bills receivables of RMB696,869,000 (31 December 2024: RMB967,905,000) was transferred to banks for obtaining bank borrowings. The carrying amounts of bills receivables are denominated in RMB.

The credit terms granted by the Group to its customers in respect of sales of solar glass are generally within 90 days.

Receivables from sales of electricity were usually settled on a monthly basis by the state grid companies. Tariff adjustment receivables represented the government subsidies on renewable energy to be received from the state grid companies in accordance with the prevailing government policies.

15 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Prepayments	**674,029**	783,781
Deposits and other receivables	**84,914**	72,554
Other tax receivables (Note)	**907,965**	1,056,030
	1,666,908	1,912,365
Less: Non-current portion:		
Prepayments for land use rights and property, plant and equipment	**(420,063)**	(415,867)
Current portion	**1,246,845**	1,496,498
Less: Loss allowance of deposits and other receivables	**(1,006)**	(1,875)
	1,245,839	1,494,623

Note: Other tax receivables mainly represent value added tax recoverable.

16 TRADE, BILLS AND OTHER PAYABLES

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade payables	**1,668,477**	2,442,951
Bills payables	**1,189,491**	1,035,623
Trade and bills payables	**2,857,968**	3,478,574
Accruals and other payables	**3,306,658**	3,653,731
	6,164,626	7,132,305

The ageing analysis of the trade payables based on invoice date is as follows:

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
0 - 90 days	**1,185,682**	1,798,915
91 - 180 days	**468,144**	626,988
181 - 365 days	**6,155**	10,454
Over 1 year	**8,496**	6,594
	1,668,477	2,442,951

The maturity of the bills payables is within 6 months.

17 SHARE CAPITAL AND SHARE PREMIUM

There was no change in the share capital and share premium of the Company for the six months ended 30 June 2025.

18 BORROWINGS

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Unsecured bank borrowings	**12,405,390**	11,639,790
Secured other borrowings	**—**	264
Bank and other borrowings	**12,405,390**	11,640,054
Unsecured fixed-rate bonds	**800,000**	—
Total borrowings	**13,205,390**	11,640,054

The maturity profile of bank and other borrowings is as follows:

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Repayable on demand and within 1 year	**6,913,969**	6,143,255
Between 1 and 2 years	**1,041,223**	849,978
Between 2 and 5 years	**2,550,452**	2,206,152
Over 5 years	**2,699,746**	2,440,669
	13,205,390	11,640,054
Less: Non-current portion	**(6,291,421)**	(5,496,799)
Current portion	**6,913,969**	6,143,255

The carrying amounts of the Group's bank and other borrowings are approximate their fair values as at 30 June 2025 and denominated in the following currencies:

	As at	
	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
RMB	**12,903,798**	9,809,059
HK$	**301,592**	1,830,995
Total	**13,205,390**	11,640,054

As at 30 June 2025 the majority of bank and other borrowings bore floating interest rates.

The bank and other borrowings are repayable by installments up to year 2045 (31 December 2024: year 2045).

The effective interest rates per annum at reporting date were as follows:

	As at	
	30 June 2025	31 December 2024
	(Unaudited)	*(Audited)*
Bank and other borrowings	**2.58%**	3.25%

Corporate guarantee was provided by the Company and its subsidiaries for the bank borrowings.

Fixed-rate bonds with a total principal of RMB800 million were issued by the Company at par value in June 2025, carrying an annual coupon rate of 2.1%. The unsecured bonds have a three-year tenor, mature in June 2028, and are traded on the China Interbank Bond Market.

19 BANKING FACILITIES

	At 30 June 2025		At 31 December2024	
	Total facilities	**Facilities utilised**	Total facilities	Facilities utilised
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
	(Unaudited)	***(Unaudited)***	*(Audited)*	*(Audited)*
Banking facilities granted to subsidiaries of the Group without securities	**18,503,770**	**12,429,994**	16,212,633	10,674,252

20 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In March 2025, a wholly-owned subsidiary of the Group completed the disposal (the "**Disposal**") of the entire equity interest of Wuhu Xintu Renewable Energy Limited ("**Wuhu Xintu**") to Xinyi Energy at a cash consideration of RMB14.8 million pursuant to a sale and purchase agreement dated 28 February 2024. Wuhu Xintu owns and operates a solar farm project with approved grid-connection capacity of 30MW in the PRC. Upon completion of the Disposal, the Company's indirect equity interest in Wuhu Xintu had been reduced from 100% to 51.62% without loss of control. Hence, the Group recognised a transaction with non-controlling interests, resulting in a decrease of non-controlling interests amounting to RMB3.27 million in relation to the Disposal.

21 RELATED PARTY TRANSACTIONS

As at 30 June 2025, the Group was controlled by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor, *D.C.S.M.*, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho and Mr. LI Ching Leung (together, the "**Controlling Shareholders**"), which in aggregate owns 26.79% of the Company's shares. 23.68% of the shares are held by Xinyi Glass Holdings Limited ("**Xinyi Glass**") and its subsidiary, and the remaining 49.53% of the shares are widely held.

(a) Transactions with Related Party

Material related party transactions during the period are as follows:

	Note	Six months ended 30 June	
		2025	2024
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
			(Restated)
Related party transactions with subsidiaries of Xinyi Glass*			
– Purchases of machineries	i, ii	**798**	74,949
– Freight for marine transportation	i, iii	**15,386**	4,570
– Sales of silica sand	i, iv	**611**	35,936
– Purchases of glass products	vii, viii	**1,081**	3,252
– Purchases of consumable products	vii, viii	**359**	500
– Rental expenses paid	vii, ix	**1,574**	1,690
– Rental income received	vii, ix	**3,184**	3,184
– Purchases of silica sand	vii, viii	**1,360**	—
– Sales of electricity	vii, viii	**5,814**	—
– Sales of consumables	vii, viii	**4,084**	—
– Sales of machineries	vii, viii	**589**	—
Related party transactions with a subsidiary of Xinyi Energy^			
– Solar farm management fee paid	i, v	**4,613**	5,925
Related party transactions with subsidiaries of Xinyi Electric Storage Holdings Limited#			
– Purchases of and processing of battery pack, and energy storage facilities	i, vi	**524**	7,865
– Sales of consumables	vii, viii	**47**	—
– Purchases of consumables	vii, viii	**—**	18

* Companies under control of a company which has a significant influence on the Group.

Company with its issued share capital owned as to more than 30% in aggregate by the various directors of the Company, namely Dr. LEE Yin Yee, S.B.S., Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, Mr. LI Man Yin and their respective associates.

^ Connected subsidiaries of the Company.

Notes:

(i) The transactions constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(ii) The purchases of machineries were charged at considerations based on mutually agreed terms. Details of the transactions were disclosed in the Company's announcement dated 30 December 2024.

(iii) The freight for marine transportation services was charged at mutually agreed prices and terms. Details of the transactions were disclosed in the Company's announcement dated 17 December 2024.

(iv) The sales of silica sand were charged at mutually agreed prices and terms. Details of the transactions were disclosed in the Company's announcement dated 30 December 2024.

(v) The management fee was charged in accordance with the second renewal memorandum dated 31 December 2024 to confirm the renewal of the solar farm operation and management agreement for a period of three years ending 31 December 2027. Details of the transactions were disclosed in the Company's announcement dated 31 December 2024.

(vi) The purchases of and processing of battery pack and energy storage facilities was charged at mutually agreed prices and terms. Details of the transactions were disclosed in the Company's announcements dated 31 October 2023 and 3 November 2023.

(vii) The transactions were de minimis transactions entered into in the ordinary course of business and under normal commercial terms. They are exempted from all the reporting, announcement and independent shareholders' approval requirements by virtue of rule 14A.76 of the Listing Rules.

(viii) The transactions were conducted at mutually agreed prices and terms.

(ix) The leases of premises were charged at mutually agreed rental.

(b) Balances with Related Parties

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Amounts due from investments accounted for using the equity method		
– Xinyi Solar (Lu'an) Company Limited	**57,980**	60,186
– Parkland Renewable Energy Sdn.Bhd.	**—**	2,235
	57,980	62,421
Loan to an investment accounted for using the equity method		
– Parkland Renewable Energy Sdn.Bhd.	**7,968**	—
Amounts due from related companies		
– Xinyi Glass (Hainan) Company Limited*	**94**	92
– Xinyi Special Glass (Jiangmen) Company Limited*	**32**	25
– Xinyi Automobile Glass (Shenzhen) Company Limited*	**25**	—
– Xinyi Glass (Jiangsu) Company Limited *	**20**	20
– Xinyi Ultra-thin Glass (Dongguan) Company Limited*	**17**	—
– Xinyi Energy Smart (Jiangmen) Company Limited*	**7**	—
– Xinyi Glass Engineering (Dongguan) Company Limited*	**4**	—
– Dongguan Benson Automobile Glass Company Limited*	**3**	—
– Xinyi Energy Smart (Wuhu) Limited*	**1**	—
– Xinyi Energy Smart (Sichuan) Company Limited*	**1**	—
– Xinyi Glass (Chongqing) Company Limited*	**—**	757
– Less: Loss allowance	**(7)**	(7)
	197	887
Amounts due to related companies		
– Xinyi Automobile Glass (Shenzhen) Company Limited*	**(1,169,756)**	(1,150,655)
– Xinyi Group (Glass) Company Limited*	**(546,531)**	(562,373)
– Anhui Xinyi Intelligent Machinery Company Limited*	**(99,221)**	(124,135)
– Guangxi Xinyi Supply Chain Management Company Limited*	**(42,352)**	—
– Xinyi Power (Suzhou) Limited#	**(8,183)**	(9,180)
– Xinyi Energy Smart (Malaysia) Sdn Bhd*	**(3,108)**	(2,995)
– Hong Kong Xinyi Shipping Company Ltd*	**(1,511)**	(2,006)
– Xinyi Energy Smart (Jiangmen) Company Limited*	**(51)**	—
– Anhui Xinyi Power Source Company Limited #	**(18)**	—
– Xinyi Ultra-thin Glass (Dongguan) Company Limited*	**—**	(702)
– Xinyi Glass (Jiangmen) Company Limited*	**—**	(51)
– Xinyi Energy Smart (Wuhu) Limited*	**—**	(35)
	(1,870,731)	(1,852,132)

* Companies under control of a company which has a significant influence on the Group.

\# Subsidiaries of a company with its issued share capital owned as to more than 30% in aggregate by the various directors of the Company, namely Dr. LEE Yin Yee, S.B.S., Tan Sir Datuk TUNG Ching Sai, *P.S.M, D.M.S.M, J.P.*, Mr. LI Man Yin and their respective associates.

The amounts due from/to related companies an investment accounted for using the equity method are unsecured, interest free and repayable on demand. The amounts approximate their fair values and are denominated in Renminbi, Malaysian Ringgit and Canadian dollar.

Loan to an investment accounted for using the equity method is dominated in MYR and interest bearing. The effective interest rate at reporting date is 7.8%.

Key management compensation amounted to RMB9,902,000 for the six months ended 30 June 2025 (2024: RMB18,492,000).

22 FAIR VALUE ESTIMATION

The Group assesses the fair value of financial instruments at the balance sheet date by using valuation techniques. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments or recent prices of similar financial assets in less active markets, adjusted to reflect those differences,
- for other financial instruments - discounted cash flow analysis.

Quantitative information about fair value measurement using significant unobservable inputs (Level 3) is as follow:

Description	Fair value at 30 June 2025 RMB'000	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Bills receivables at FVOCI	797,296	Discounted cash flow method	Discount rate	0.90%-1.80%	The higher the discount rate, the lower the fair value, and vice versa
Financial assets at FVPL – Wealth management products	—	Discounted cash flow method	Expected rate of return	0.71%-2.00%	The higher the Expected rate of return, the higher the fair value, and vice versa
Financial assets at FVPL – Securities private fund product	60,605	Discount cash Flow method	Expected rate of return	4.06%	The higher the Expected rate of return, the higher the fair value, and vice versa

Description	Fair value at 31 December 2024 RMB'000 *(Audited)*	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Bills receivables at FVOCI	280,756	Discounted cash flow method	Discount rate	0.40%-2.15%	The higher the discount rate, the lower the fair value, and vice versa
Financial assets at FVPL – Wealth management products	—	Discounted cash flow method	Expected rate of return	1.05%-2.65%	The higher the Expected rate of return, the higher the fair value, and vice versa
Financial assets at FVPL – Securities private fund product	58,243	Discount cash Flow method	Expected rate of return	14.79%	The higher the Expected rate of return, the higher the fair value, and vice versa

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During the 1H2025, the solar industry continued to operate in a complicated, volatile and challenging environment. While the global solar installations continued to grow, the rate of growth was slow as compared to the previous years. The geopolitical tensions and the increasing trade barriers disrupted the development of the global supply chain. In addition, the supply-demand imbalances squeezed the profit margins across the value chain, including the solar glass sector.

Despite these challenges, the Group capitalised its competitive strengths through proactive market positioning and flexible operations management to secure the volume growth in its solar glass segment. Although the average selling prices ("**ASP**") of solar glass products showed a significant decline compared to the 1H2024 which led to a year-on-year drop in the profit margins, and impairment provisions were required for certain idle solar glass production facilities, the Group's consolidated results for the 1H2025 improved remarkably compared to the second half of 2024.

In the 1H2025, the Group achieved consolidated revenue of RMB10,931.8 million, representing a decrease of 6.5%, as compared to the 1H2024. Profit attributable to the equity holders of the Company decreased by 58.8% to RMB745.8 million. Basic earnings per share were 8.21 RMB cents for the 1H2025, compared to 20.33 RMB cents for the 1H2024.

BUSINESS REVIEW

Global solar installations continue to expand but at a moderated pace

In the 1H2025, the global solar installations continued expanding, though at a moderated pace, as compared to the explosive growth in the previous years. Mature markets like China, the United States ("**U.S.**") and countries in the European Union ("**EU**") remained the key drivers, but the growth rates were slow due to the grid constraints, permitting delays and the policy adjustments. China maintained its dominance but faced rising curtailment and uncertainty of feed-in tariff policy changes, while the U.S., though benefiting from the domestic clean energy incentives, saw its supply chain significantly impacted by its own trade measures. India emerged as a high-growth market, propelled by the ambitious renewable targets and the large-scale solar parks. Meanwhile, the performance of the EU market was mixed, with some countries sustained the growth steadily with rooftop solar adoption, while others faced a slow growth due to the grid congestion and the reduced subsidies.

The solar sector faced headwinds from the persistently high interest rates, trade restrictions (e.g., U.S. tariffs on Southeast Asian solar modules and EU carbon border measures), and geopolitical tensions, which disrupted the supply chain channels and project financing. Grid infrastructure limitations further delayed the project commissioning in countries like the U.S., India, and parts of Europe. However, additional opportunities expanded in the emerging markets such as Southeast Asia, the Middle East, Africa and Latin America, where the cost competitiveness of solar energy and the requirement for energy drove rapid deployment. Innovations like hybrid solar-storage systems, corporate power purchase agreements (especially in technology and manufacturing sectors) and pilot green hydrogen projects gained increasing acceptance, underscoring the importance of solar's role in integrated energy systems.

Despite ongoing challenges, the solar energy remains the fastest growing energy source, supported by falling costs and climate change commitments. The accelerated adoption of the energy storage facilities helps mitigate the solar power's limitations, enhance its grid penetration rate and further expands solar energy's development potential.

Uncertainty Over Policy Changes Triggered PV Installation Rush in China

Driven by the expected policy changes, China's photovoltaic ("**PV**") installations showed a strong growth in the 1H2025. According to the statistics published by the National Energy Administration ("**NEA**"), China's newly installed PV capacity increased 107.1% year-on-year to 212.21gigawatts in the 1H2025.

In early 2025, China released two major renewable energy policies to accelerate the clean energy transition. These changes had a significant impact on the solar installation demand and the industry development in the first and second halves of 2025, as well as implications for the future development. The key policies were as follows:

1) Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation (《分佈式光伏發電開發建設管理辦法》)

   The policy establishes a comprehensive regulatory framework for the decentralised solar development and classifies projects into four categories (residential, commercial, etc.) with distinct grid-connection rules, emphasising the local consumption. Key provisions include: (i) mandatory grid capacity assessments; (ii) protection for rural participants against exploitative contracts; and (iii) reclassification of hybrid projects (like solar farms with agriculture) as centralised generation. The policy focuses on the improvement in grid integration through technical standards ("visible, measurable, adjustable, controllable") while preventing the speculative project development.

2) Notice on Deepening the Market-Oriented New Energy Feed-in Tariffs Reform and Promoting the High-quality Development of New Energy (《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》)

   The policy fundamentally restructures renewable energy economics by (i) eliminating guaranteed feed-in tariffs in favour of full market pricing through competitive bidding; (ii) introducing flexible settlement mechanism where the grid companies compensate/reclaim price differences; (iii) removing the compulsory energy storage requirements that previously increased development costs: (iv) aligning the green certificate trading with the power markets to prevent excessive subsidies; and (v) encouraging the long-term power purchase agreements for market stability.

The above policy reforms can accelerate the solar energy industry's transition from fixed feed-in tariff reliance to market-driven, high-quality growth. By reshaping the solar energy's market positioning, these reforms would not only reinforce its role as a clean and environmental friendly power source, but also demonstrate its economic competitiveness through market mechanisms. However, the shift to the market-based pricing for new projects introduces greater revenue uncertainty, which has triggered a surge in installations as developers rush to meet key deadlines — 30 April 2025 for distributed projects and 31 May 2025 for all new installations. This deadline-driven boom led to a sharp increase in the solar deployments in March and April 2025, along with the temporary price hikes for solar modules and the solar glass.

Supply-demand Imbalance in the Solar Value Chain and Technological Shift in Product Specifications

In the 1H2025, the solar value chain continued to navigate a challenging landscape marked by supply-demand imbalance, price volatility and industry consolidation, though signs of gradual stabilisation began to emerge. Over the past year, the industry has witnessed intense price competition, patent disputes and self-regulation initiatives, yet these measures have not significantly expedited the capacity adjustment process. While the downstream demand grew moderately, it was still unable to absorb the excess capacity in full. Speeding up the capacity rationalisation has become the first priority in the sector.

Faced with the intensified competition and the margin erosion, the industry associations and leading manufacturers pushed for stricter quality benchmarks and capacity discipline to mitigate the destructive pricing practices. These measures aimed to curb the "involution" while accelerating the phase out of subscale and outdated production capacity.

In addition to supply-demand dynamics across the industrial chain, the evolution of the solar module technologies proved critical for the solar glass sector. The industry's shift toward N-type and bifacial module designs drove significant changes in solar glass specifications. Demand grew for thinner, larger, yet stronger solar glass that reduced the weight while maintaining high light transmittance and durability. As a leading industry supplier, the Group demonstrated distinct advantages in delivering premium, high-performance, and differentiated products to meet these evolving market requirements.

Competitive Edge Through Disciplined Strategy and Production Diversification

The solar glass industry navigated a complicated industry landscape in the 1H2025, contending with the fluctuating supply-demand conditions, new trade restrictions, escalating geopolitical tensions and uncertain global economic outlook. Industry capacity saw a net increase during this period, as the volume of reactivated idle lines and newly commissioned facilities outweighed capacity taken offline for cold repairs or suspensions. This expansion coincided with a short-term price rebound between March and April 2025, when Chinese developers accelerated solar installations in order to complete projects ahead of the anticipated policy adjustments.

Despite the overall capacity growth, the industry remained cautious. Some completed or repaired capacity continued to be unutilised, reflecting the market concerns about the sustainability of the price rise and lingering uncertainties over second-half demand. As a result, while the sector achieved net capacity expansion, the scale of growth was tempered by manufacturers' careful balancing of production resumptions against uncertain demand projections.

Amid the challenging market conditions characterised by the supply-demand imbalances and margin pressures, the Group implemented a disciplined strategy to maintain competitiveness. Comprehensive cost optimisation measures were deployed across each production process, while sustained R&D investment addressed evolving technical and commercial requirements from solar module manufacturers. Dynamic inventory management systems were calibrated to maintain appropriate stock levels, balancing operational efficiency with market responsiveness.

On the commercial front, the Group adopted a selective customer engagement approach, giving priority to the financially stable partners and implementing enhanced credit management policies. This was complemented by strategic capacity planning that optimised existing asset utilisation while preserving financial flexibility, enabling measured responses to regional market shifts. Through the disciplined operations and targeted overseas expansion (establishing a new solar glass production facility in Indonesia), the Group has enhanced its resilience against market volatility while positioning itself to capitalise on emerging opportunities and sustain long-term growth.

Although the recent U.S. tariff policies are volatile, the Group's geographically diversified solar glass production — with facilities in both China and overseas — ensures operational flexibility and mitigates potential risks. Notably, the Group's direct exports of solar glass to the U.S. remain limited, further reducing exposure to these trade risks.

Prudently Expand Solar Farm Business and Flexibly Respond to Market Changes

The Group deferred solar farm construction in China during the 1H2025 amid a shifting policy landscape that introduced return-on-investment uncertainties. While development planning and preliminary work continued, actual installation was delayed. Challenges in securing suitable land and grid connections further slowed progress. As a result, no self-developed utility-scale solar farm projects were connected to the grid during this period. The Group instead focused on the reserve development and preparatory work, positioning itself to swiftly resume construction when market improves. This strategic pause optimised capital allocation, allowing for greater flexibility in adapting to market changes while safeguarding long-term growth pipelines.

With no new utility-scale projects connected to the grid, the Group's power generation revenue saw a slight increase in the 1H2025. The Group's non-wholly owned subsidiary, Xinyi Energy Holdings Limited ("**Xinyi Energy**"), and its subsidiaries accounted for 83.9% of the electricity generation revenue and other wholly-owned subsidiaries of the Company accounted for remaining of 16.1%. Regarding the disposal of solar farm projects, the Group completed the disposal of a solar farm project with a capacity of 30 megawatts ("**MW**") to Xinyi Energy in the 1H2025. This transaction was conducted in line with the business delineation between Xinyi Solar as the solar farm developer and Xinyi Energy as the operator, facilitating a faster replenishment of the working capital deployed in the project development.

As of 30 June 2025, the cumulated approved grid-connected capacity of the Group's solar farm projects was 6,245MW, of which 5,841MW was for the utility-scale ground mounted projects, and 404MW was for the distributed generation projects for the Group's own consumption or sale to the grid. In terms of the ownership, the solar farm projects with a capacity of 4,585MW were held through Xinyi Energy; solar farm projects with a capacity of 1,560MW were held through certain wholly-owned subsidiaries of the Company. A solar farm project with a capacity of 100MW was held by an entity owned as to 50% by the Group.

Xinyi Energy is progressing plans to establish an infrastructure securities investment fund for selected solar farm assets, with the aim of listing on a stock exchange in the People's Republic of China ("**PRC**"). This strategic initiative will facilitate the partial monetisation of the Group's portfolio of solar farms, reduce the Group's exposure to fixed assets and increase financial flexibility.

FINANCIAL REVIEW

Revenue

Revenue for the 1H2025 was mainly derived from two core business segments, namely sales of solar glass and solar farm business. Despite continued growth in sales volume, revenue from the solar glass segment declined, mainly due to a significant year-on-year drop in sales prices caused by market supply and demand imbalances. Meanwhile, the solar farm business saw a slight increase in sales revenue.

Revenue – By Product

	1H2025		1H2024		Increase/(Decrease)	
	RMB million	***% of revenue***	*RMB million (Restated)*	*% of revenue*	*RMB million*	*%*
Sales of solar glass	**9,474.1**	**86.7**	10,221.5	87.4	(747.4)	(7.3)
Solar farm business	**1,437.6**	**13.2**	1,427.9	12.2	9.6	0.7
Unallocated	**20.1**	**0.2**	44.5	0.4	(24.4)	(54.9)
Total external revenue*	**10,931.8**	**100.0**	11,693.9	100.0	(762.2)	(6.5)

* The sum of the individual amounts may not be the same as the actual total due to rounding.

Solar Glass Revenue – By Geographical Area

	1H2025		1H2024		Increase/(Decrease)	
	RMB million	***% of revenue***	*RMB million (Restated)*	*% of revenue*	*RMB million*	*%*
Mainland China	**6,482.9**	**68.4**	7,777.7	76.1	(1,294.8)	(16.6)
Other areas in Asia	**2,033.6**	**21.5**	2,017.8	19.7	15.9	0.8
North America and Europe	**763.5**	**8.1**	235.9	2.3	527.6	223.7
Others	**194.2**	**2.1**	190.2	1.9	4.0	2.1
	9,474.1	**100.0**	10,221.5	100.0	(747.4)	(7.3)

* The sum of the individual amounts may not be the same as the actual total due to rounding.

The Group's solar glass revenue decreased by 7.3% year-on-year to RMB9,474.1 million in the 1H2025. The decrease was mainly due to the significant drop in the ASP, partially offset by higher sales volume.

China's renewable energy policy reforms triggered a surge in PV installations in the 1H2025, providing crucial support for solar glass demand. However, given persistent market challenges and uncertainties, the Group adopted a cautious approach during the period – refraining from expanding production volume and maintaining daily melting capacity at 23,200 tonnes/day. The sales volume growth in the 1H2025 was primarily achieved through inventory reduction strategies. In the 1H2025, the Group's solar glass sales volume (in tonnes) increased 17.5% year-on-year.

Changes in the U.S. tariff policies and associated uncertainties have led some solar module customers to place orders in advance, resulting in a significant increase in the sales proportion from the North American region during the 1H2025. Conversely, the sales proportion in China has declined. In the 1H2025, overseas sales and sales in mainland China accounted for 31.6% (1H2024: 23.9%) and 68.4% (1H2024: 76.1%), respectively, of the Group's total solar glass sales. Overall, the regional composition of the Group's solar glass sales is highly correlated with the distribution of global solar module manufacturing capacity.

Solar glass product prices remained under downward pressure in the 1H2025, primarily due to continued increase in industry supply, intensified competition, and uncertain growth in downstream demand. Although the market rebound in March and April helped mitigate the drop, prices still recorded a significant month-on-month decline throughout the 1H2025 when compared to 1H2024. By product type, 2.0mm solar glass experienced a steeper price decline compared to 3.2mm solar glass. Having surpassed 3.2mm solar glass in market share to become the mainstream product, 2.0mm solar glass's more substantial price reduction consequently exerted greater downward pressure on segment revenue.

The Group's electricity generation revenue for the 1H2025 was mainly derived from the solar farms located in the PRC, as shown below.

	Approved grid-connected capacity	
	As at 30 June 2025 MW	As at 31 December 2024 MW
Utility-scale ground-mounted solar farms		
Anhui	**2,037**	2,037
Hubei	**980**	980
Guangdong	**750**	750
Yunnan	**560**	560
Guangxi	**500**	500
Others (Tianjin, Henan, Hebei, etc.)	**914**	914
Subtotal	**5,741**	5,741
Commercial distributed generation projects	**80**	78
Total	**5,821**	5,819
Utility-scale ground-mounted solar farms		
Total number of solar farms	**61**	61
Weighted average feed-in-tariff ("**FiT**")* (RMB/kWh)	**0.57**	0.57

* The weighted average FiT rate is proportionally weighted according to the base FiT (after taking into account the possible deduction of tariff adjustment on solar farm projects not included in the First Qualified Project List (as defined below)) and the approved grid connection capacity of each solar farm and is provided for information purposes only. The actual prices of electricity sold by some solar farms have been determined in accordance with market-based trading mechanisms.

In light of the increased uncertainties regarding project investment returns, the Group has adopted a more measured approach to the development and construction of new solar farm projects. Revenue from the solar farm segment saw a marginal growth of 0.7%, increasing from RMB1,427.9 million in the 1H2024 to RMB1,437.6 million in the 1H2025. This limited growth was primarily attributable to (i) minimal new grid-connected capacity additions in 2024 and the 1H2025; (ii) increased power curtailment in certain regions; and (iii) a higher proportion of electricity sales through market-based trading mechanisms, which introduced greater revenue volatility.

Similar to other solar farm operators in the PRC, the Group has experienced delays in receiving the government subsidies related to the electricity generation of its subsidised solar farm projects. As of 30 June 2025, the Group's outstanding tariff adjustment (subsidy) receivable amounted to RMB5,342.5 million. Receivables from sales of electricity are generally settled on a monthly basis by state grid companies, while tariff adjustment (subsidy) receivables are settled in accordance with prevailing government policies. As of 30 June 2025, the Group had subsidised solar farm projects with a total approved capacity of 2,174MW, of which 1,244MW was included in the "Announcement on Publishing the List of the First Batch of Renewable Energy Generation Subsidy Compliant Projects" (《關於公佈第一批可再生能源發電補貼合規項目清單的公告》) (the "**First Qualified Project List**") published on 28 October 2022.

Gross profit

The Group's gross profit decreased by RMB1,141.6 million, or 36.4%, from RMB3,140.2 million in the 1H2024 to RMB1,998.5 million in the 1H2025. The Group's overall gross profit margin declined from 26.9% in the 1H2024 to 18.3% in the 1H2025. This drop was primarily driven by a reduction in profit contribution from the solar glass business.

In the 1H2025, the gross profit margin of the solar glass business decreased by 10.1 percentage points to 11.4% (1H2024: 21.5%). The decline in gross profit margin was primarily attributable to (i) a significant year-on-year decrease in the ASP and (ii) absorption of fixed costs (including depreciation and maintenance) for certain idled production facilities. Such decline was partially offset by (i) reduced procurement costs for certain raw materials and energy, particularly soda ash, silica sand, and natural gas and (ii) productivity gains achieved by phasing out small-scale, less efficient production lines while implementing stricter cost controls and operational streamlining.

For the solar farm business, gross profit contribution decreased slightly by 2.4% in the 1H2025 to RMB913.4 million (1H2024: RMB936.2 million), with gross profit margin decreasing to 63.5% in the 1H2025 (1H2024: 65.6%). The margin contraction was mainly due to (i) reduced revenue contribution from certain solar farm projects affected by grid curtailment measures and (ii) higher depreciation expenses, partly mitigated by savings in some direct operating costs.

Other income

In the 1H2025, the Group's other income increased by RMB41.2 million to RMB200.3 million, compared to the RMB159.1 million recorded in the 1H2024. The increase was mainly due to the increases in government grant income and insurance compensation income, partially offset by the declines in scrap sales and compensation income from suppliers.

Other losses, net

Other losses, net increased by RMB29.4 million to RMB66.7 million in the 1H2025. Other losses – net in the 1H2025 mainly comprised (i) foreign exchange losses, net of RMB47.4 million (1H2024: net gains of RMB8.4 million); (ii) losses on disposal of bills receivable at fair value through other comprehensive income of RMB13.7 million (1H2024: RMB30.4 million); (iii) losses on disposal of property, plant and equipment of RMB7.7 million (1H2024: RMB10.4 million); and (iv) net fair value gains on financial assets at fair value through profit or loss of RMB2.6 million (1H2024: net losses of RMB4.9 million).

Selling and marketing expenses

The Group's selling and marketing expenses increased by 38.5% from RMB51.6 million in the 1H2024 to RMB71.5 million in the 1H2025. The increase was primarily driven by higher sales volume of solar glass and increased in-house storage and logistics costs. The ratio of selling and marketing expenses to revenue increased from 0.4% in the 1H2024 to 0.7% in the 1H2025.

Administrative and other operating expenses

Administrative and other operating expenses decreased by RMB102.5 million, or 18.7%, from RMB547.3 million in the 1H2024 to RMB444.8 million in the 1H2025. The decrease was mainly due to the decreases in (i) employee benefit expenses of RMB57.6 million; (ii) research and development expenses of RMB21.3 million; and (iii) other miscellaneous operating expenses. The ratio of administrative and other operating expenses to revenue dropped from 4.7% in the 1H2024 to 4.1% in the 1H2025.

Impairment losses on property, plant and equipment

Impairment losses of RMB313.7 million (1H2024: Nil) were recognised for the 1H2025 on production facilities deemed no longer viable for solar glass production, following an assessment of potential transformation, relocation, or alternative uses for the idled assets.

Finance costs

The Group's finance costs decreased from RMB220.9 million (or RMB261.1 million before capitalisation) in the 1H2024 to RMB173.1 million (or RMB204.2 million before capitalisation) in the 1H2025. The decline was mainly attributable to the rising share of RMB loans in the Group's total bank borrowings, reducing the overall interest rate. However, the impact was partially counterbalanced by a rise in total bank debt. During the 1H2025, an interest expense of RMB31.2 million (1H2024: RMB40.1 million) was capitalised in the cost of solar glass, solar farm and polysilicon production facilities under construction. The capitalised amounts will depreciate together with the relevant assets over their estimated useful lives.

Share of net profit of investments accounted for using the equity method

In the 1H2025, the Group's share of net profit of investments accounted for using the equity method was RMB14.4 million (1H2024: RMB13.5 million). The profit contribution from these investments was mainly derived from a 100MW solar farm project in Lu'an, Anhui Province, China, in which the Group has a 50% equity interest.

Income tax expense

The Group's income tax expense decreased from RMB467.1 million in the 1H2024 to RMB139.8 million in the 1H2025. The decrease was primarily attributable to the decrease in profit contribution from solar glass business. The Group's overall effective income tax rate decreased from 19.0% in the 1H2024 to 12.2% in the 1H2025, mainly due to (i) the tax incentives granted to a subsidiary of the Group in the solar glass segment, stemming from its Malaysia-based production facility, which commenced operations in 2024 and (ii) the deferred tax impact in relation to the impairment losses on property, plant and equipment.

The Group's solar farms are eligible for a CIT exemption for the first three years from the year in which they started generating revenue after offsetting prior year losses, and a 50% tax reduction for the following three years.

EBITDA and net profit

In the 1H2025, the Company's EBITDA (earnings before interest, taxes, depreciation and amortisation) amounted to RMB2,445.0 million, representing a decrease of 32.2% when compared to the RMB3,605.9 million recorded in the 1H2024. The EBITDA margin (calculated based on total revenue for the period) was 22.4% for the 1H2025, compared to 30.8% for the 1H2024.

Net profit attributable to equity holders of the Company for the 1H2025 was RMB745.8 million, representing a decrease of 58.8% as compared to RMB1,810.8 million for the 1H2024. Net profit margin decreased to 6.8% for the 1H2025 from 15.5% for the 1H2024, mainly due to the decrease in the profit margin of the solar glass business and impairment losses on solar glass production facilities, which was partially mitigated by the reduced operating expenses, finance costs and income tax expenses.

Financial Resources and Liquidity

During the 1H2025, the Group's total assets increased by 3.1% to RMB58,704.2 million and shareholders' equity rose by 3.1% to RMB29,949.2 million. The Group's current ratio as of 30 June 2025 was 1.30 compared to 1.14 as of 31 December 2024. The improvement in the current ratio was primarily due to the Group's adoption of a more prudent financial management strategy to enhance financial resilience and mitigate the impact of market cyclicality.

During the 1H2025, the Group primarily financed its operations through internally generated cash flows, bank borrowings and bond financing. Net cash generated from operating activities amounted to RMB1,567.4 million (1H2024: RMB1,144.9 million). The increase in net cash inflow was primarily attributable to reduced inventory levels, which partially mitigated the negative effects of lower profitability and extended accounts receivable collection periods. Net cash used in investing activities amounted to RMB1,054.6 million (1H2024: RMB2,761.8 million). The year-on-year decrease was primarily due to a reduction in capital expenditures, reflecting a slowdown in the Group's capacity expansion pace. Net cash generated from financing activities amounted to RMB1,534.1 million (1H2024: RMB931.5 million). During the 1H2025, the Group secured new bank borrowings of RMB3,367.9 million, repaid bank borrowings of RMB2,658.5 million, and issued 3-year fixed-rate bonds amounting to RMB800 million.

As of 30 June 2025, the Group's net debt gearing ratio (calculated as borrowings less cash and bank balances divided by total equity) was 28.7% (31 December 2024: 31.0%). The reduction in gearing ratio principally resulted from improved liquidity positions and shareholders' equity growth, which fully mitigated the effect of additional debt financing.

BUSINESS OUTLOOK

Driven by the continuous cost reductions and the technological advancements, the solar energy maintains a clear competitive advantage over fossil fuels and other renewable energy sources. According to the International Energy Agency's *Snapshot of Global PV Markets 2025*, solar power has surpassed 10% of global electricity consumption for the first time — which is a significant milestone. However, the solar sector still holds immense untapped potential for further expansion.

Beyond the traditional drivers like industrial growth and rising residential demand, the new electricity consumption trends are in rapid development, including rapid electric vehicle adoption, surging energy needs from artificial intelligence and data centres and innovative applications such as direct air carbon capture and green hydrogen production. Additionally, improvements in the energy storage systems and the smart grid technologies are helping address the solar power's intermittency issue, enabling more reliable integration into energy networks.

Despite these positive developments, the solar industry faces short-term challenges, particularly the supply-demand imbalances across the value chain. Persistent overcapacity in certain segments has pushed prices below the sustainable production costs, creating financial pressure for manufacturers. It is widely recognised in the industry that the capacity rationalisation is the key solution to rebalancing supply and demand and restoring profitability, whether through market-driven adjustments, production curtailments, or coordinated output restrictions. While these corrective measures may take time to take effect in full, the combination of the sustained demand growth and the supply-side discipline are expected to gradually improve the supply-demand balance in the solar industry. The industry's long-term fundamentals remain robust, supported by technological progress and the global energy transition imperative.

The recovery of the solar glass market will largely depend on the global PV installation trends and solar policy developments in the major markets. In China, the policy-driven installation rush in the 1H2025 may be followed by a temporary slowdown as the local authorities are still in the process of finalising the implementation details, potentially dampening the short-term demand for solar glass demand. However, the installation activities in the overseas markets are typically more active in the second half of the year, which may partially offset the decline in demand in China.

On the supply side, the solar glass industry capacity continued to increase in the 1H2025 as some previously idled production lines — construction completed but left unused due to unfavorable market conditions — resumed operations during the March-April rebound. However, this expansion was partially offset by cold repairs at other facilities. Notably, new capacity expansion projects have nearly disappeared except for overseas ventures. Given the significant lead time required for new production lines (typically 12-18 months), supply growth over the next 1-2 years is expected to primarily come from the existing projects — either completed or near-completion facilities, including those undergoing cold repairs. Compared to the previous years, the newly initiated capacity expansions have significantly contracted, which should help rebalance market conditions. Based on the current market situation, pricing pressure may persist in the near term as the industry gradually absorbs these evolving market dynamics.

Given the unprecedented scale and uncertainty surrounding the current solar industry cycle adjustment, the Group remains committed to prudent business management through rigorous financial risk monitoring, disciplined cost and capital expenditure control, and continuous efficiency enhancement initiatives to solidify its leading position.

As of 30 June 2025, the Group's total operational solar glass melting capacity was 23,200 tonnes per day, which included two production lines with a total melting capacity of 1,800 tonnes per day that were suspended operation in July 2025. Furthermore, the Group maintains certain idle production capacities that can be reactivated in response to the market conditions. Meanwhile, the construction of two new solar glass production lines in Indonesia is underway, with commercial production expected to begin in the first quarter of 2026. The Group remains proactive in evaluating further expansion opportunities in strategic locations and will adjust operational capacity in line with market dynamics.

Regarding solar farm investment, the Group will continue to prioritise the quality and rigorously assess new projects based on their investment return potential. However, growing grid curtailment risks, increasing market-based power sales requirements, and policy changes in China's renewable energy market have added uncertainties to the investment return of the new projects. In response, the Group will maintain its focus on the development of its project pipeline and preparatory work during the second half of 2025, with consequently minimal to no new grid-connected capacity expected during this period.

The Group successfully completed its first tranche of panda bond issuance in June 2025, with an issuance size of RMB800 million and a maturity of three years. This landmark transaction has established a new and low-cost financing channel, further optimised the financing structure and created natural currency hedging for the Group's Renminbi-denominated assets. The successful placement has also demonstrated strong capital market confidence in the Group's credit profile and long-term growth prospects.

The global transition to the green energy will continue to accelerate the use of the solar power, sustaining the long-term growth in the PV industry. While acknowledging the near-term market challenges, the Board maintains a strong confidence in the industry's prospects and the Group's capacity to deliver a sustained healthy growth in the future. Through the disciplined execution of its three-pillar strategy — operational excellence, financial prudence, and technology leadership — the Company is strategically positioned to weather current market volatility while securing its competitive advantage and generate long-term economic value to its shareholders.

CAPITAL EXPENDITURES AND COMMITMENTS

The Group incurred capital expenditures of RMB1,127.8 million for the 1H2025 which were primarily used in the expansion and upgrade of solar glass production capacity, the development of the solar farm projects and the construction of polysilicon production facility. Capital commitments contracted for but not incurred by the Group as of 30 June 2025 amounted to RMB918.0 million, which were mainly related to capital expenditures for new solar glass production facilities currently under construction in Indonesia and certain retention payments for prior-year projects still in progress.

PLEDGE OF ASSETS

As of 30 June 2025, bills receivables of RMB80.4 million were pledged as collaterals for obtaining letter of credit facilities in the PRC.

CONTINGENT LIABILITIES

As of 30 June 2025, the Group did not have any significant contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Save as disclosed in note 20 to this announcement, there was no material acquisition and disposal of subsidiaries and associated companies during the 1H2025.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN FOREIGN EXCHANGE RATES

The Group's consolidated financial statements are presented in RMB, which is also the functional currency of its principal subsidiaries, while the Company's functional currency is HKD. Since most of the Group's business transactions are settled in RMB and the majority of its assets are located in the PRC, it is not significantly exposed to foreign exchange risk at the consolidated level.

Within the Group's solar glass segment, certain subsidiary revenues and operating expenses are denominated in foreign currencies such as the USD and Malaysian Ringgit, creating exchange rate exposure. Fluctuations in these currencies during financial statement translation or the repatriation of earnings, equity investments, or loans could affect the Group's financial performance.

For the Group's solar farm business, nearly all revenue is denominated in RMB. The Group has further reduced exchange rate risk by replacing all HKD-denominated bank borrowings with RMB borrowings, effectively eliminating currency mismatch concerns.

The Group manages currency exposure primarily through natural hedging and avoids speculative foreign exchange activities. Hedging decisions are periodically reviewed based on exposure levels and anticipated exchange rate movements. The Group has not encountered any significant difficulties or liquidity issues due to currency exchange fluctuations. For the six months ended 30 June 2025, the Group did not use any financial hedging instruments, with the exception of a cross-currency swap to convert a foreign-currency bank loan into RMB-denominated debt.

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2025, the Group had about 8,087 full-time employees, with 6,850 based in Mainland China and 1,237 based in other territories. The total staff costs, including the emoluments of the Directors, amounted to RMB597.3 million for the 1H2025.

The Group maintains good working relationship with its employees and provides training when necessary to keep its employees informed of the latest information on developments of its products and production processes. Remuneration packages offered to the Group's employees are generally competitive and are reviewed on a regular basis. Apart from basic remuneration and the statutory retirement benefit scheme, discretionary bonuses may be provided to selected employees taking into consideration the performance of the relevant employee and the overall performance of the Group.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company in May 2024, an aggregate of 17,050,000 share options were granted to selected employees and an executive director in March 2025. The share options are valid from 28 March 2025 to 31 March 2029. One third of the options would be vested on each year-end date of 2025, 2026 and 2027 if the relevant grantee has satisfied the conditions of vesting as stated in the letter of grant.

EVENT AFTER THE REPORTING PERIOD

As of 30 June 2025, the Group's solar glass production lines in operation had a total daily melting capacity of 23,200 tonnes. In light of the anticipated changes in downstream demand and the latest supply-demand dynamics, the Group has suspended the operations of two solar glass production lines, with a total daily melting capacity of 1,800 tonnes, in July 2025. The future plans for these production lines remain under review.

Saved as disclosed above, no significant event affecting the Group which occurred after 30 June 2025 and up to the date of this announcement.

INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to declare an interim dividend (the "**Interim Dividend**") of 4.2 HK cents per share for the 1H2025 (1H2024: 10.0 HK cents) to be paid to the shareholders (the "**Shareholders**") of the Company with their names recorded on the register of members of the Company at the close of business on Wednesday, 20 August 2025. The interim dividend is expected to be payable on or about Friday, 10 October 2025. The Company's register of members will be closed from Monday, 18 August 2025 to Wednesday, 20 August 2025 (both days inclusive), and during such period no transfer of shares will be registered. The record date for determining the entitlement of the Shareholders to the Interim Dividend will be Wednesday, 20 August 2025. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 15 August 2025.

Shareholders will be given an option to receive the Interim Dividend in cash or in new and fully-paid shares of the Company, in whole or in part, in lieu of cash dividend. The scrip dividend scheme (the "**Scrip Dividend Scheme**") is subject to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the listing of and permission to deal in the new shares to be allotted and issued under the Scrip Dividend Scheme.

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commenced on Thursday, 14 August 2025 until Wednesday, 20 August 2025 (both days inclusive) rounded down to two decimal places.

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

During the 1H2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the treasury shares).

CORPORATE GOVERNANCE

The Directors confirm that the Company has complied with the applicable code provisions in the Corporate Governance Code (the "**Code**") set forth in Part 2 of Appendix C1 to The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the 1H2025 save for the below deviation.

Pursuant to code provision C.2.1 of the Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Dr. LEE Yin Yee, S.B.S. is the Chairman of the Group and Mr. LEE Shing Put, B.B.S. ("**Mr. Lee**") is the Vice Chairman and the Chief Executive Officer of the Group. The Chairman is responsible for managing and providing leadership to the Board and ensuring that the Group has maintained strong and effective corporate governance practices and procedures. Mr. Lee has performed both of the roles as the Vice Chairman and the Chief Executive Officer of the Group. However, the Board considers that since Mr. Lee has been working in the Group for more than a decade and is familiar with the business operations of the Group, vesting both of the roles of the Vice Chairman and the Chief Executive Officer in Mr. Lee can facilitate the smooth and efficient execution of the business strategy of the Group. Furthermore, the Board considers that the balance of power and authority between the Board and the management of the Company will not be impaired as Mr. Lee will only be one of the two Vice Chairmen of the Group alongside the Chairman of the Group. Under the supervision of the Board which comprises four executive Directors, two non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted The Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) set forth in Appendix C3 to the Listing Rules as the code of conduct for securities transactions by the Directors. Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the required standard of dealings as set forth in the Model Code during the 1H2025.

REVIEW OF THE INTERIM RESULTS

The Company's interim results for the 1H2025 have not been audited but have been reviewed by the Company's audit committee of the Board. The members of the audit committee of the Board are Ms. LEONG Chong Peng, Mr. LO Wan Sing, Vincent and Mr. KAN E-ting, Martin, all of them are independent non-executive Directors.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the 1H2025 containing all the relevant information required by Appendix D2 to the Listing Rules and other applicable laws and regulations will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Xinyi Solar Holdings Limited
Dr. LEE Yin Yee, S.B.S.
Chairman

Hong Kong, 1 August 2025

As of the date of this announcement, the Board comprises two non-executive Directors, namely Dr. LEE Yin Yee, S.B.S. (Chairman of the Board) and Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., four executive Directors, namely, Mr. LEE Shing Put, B.B.S. (Vice Chairman and Chief Executive Officer), Mr. LEE Yau Ching, Mr. LI Man Yin, and Mr. CHU Charn Fai, and three independent non-executive Directors, namely Mr. LO Wan Sing, Vincent, Mr. KAN E-ting, Martin and Ms. LEONG Chong Peng.

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.xinyisolar.com.