Solargiga Energy

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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 757)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

INTERIM RESULTS

The directors (the "**Directors**") of Solargiga Energy Holdings Limited (the "**Company**") announce the unaudited consolidated interim financial results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 (the "**Period**" or "**period**"), together with the comparative figures for the corresponding period in 2024. The interim condensed consolidated financial statements of the Group have been reviewed by the Auditor in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity as issued by the Hong Kong Institute of Certified Public Accountants, and by the Company's audit committee.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2025 – unaudited

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**1,022,337**	1,693,242
Cost of sales		**(1,031,144)**	(1,671,277)
Gross (loss)/profit		**(8,807)**	21,965
Other income and gains, net	*4*	**41,438**	94,350
Selling and distribution expenses, net		**12,272**	(38,915)
Administrative expenses		**(81,930)**	(102,761)
Impairment losses on financial and contract assets		**(39,815)**	(271)
Impairment losses of property, plant and equipment		**(8,966)**	(48,767)
Finance costs		**(22,308)**	(31,355)
Loss before tax	*5*	**(108,116)**	(105,754)

	Notes	Six months ended 30 June **2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Income tax (expense)/credit	*6*	**(1,566)**	4,035
Loss for the period		**(109,682)**	(101,719)
Attributable to:			
Owners of the parent		**(109,117)**	(101,147)
Non-controlling interests		**(565)**	(572)
Loss for the period		**(109,682)**	(101,719)
Basic and diluted losses per share attributable to ordinary equity holders of the parent (RMB cents)	*7*	**(3.28)**	(3.04)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

for the six months ended 30 June 2025 – unaudited

	Six months ended 30 June **2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Loss for the period	**(109,682)**	(101,719)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
– Exchange differences on translation of foreign operations	**(3,275)**	(2,899)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
– Exchange differences on translation of foreign operations	**(1,468)**	–
– Changes in fair value of equity investments designated at fair value through other comprehensive loss	**(71)**	–
	(1,539)	–
Total comprehensive loss for the period, after tax	**(114,496)**	(104,618)
Attributable to:		
Owners of the parent	**(113,931)**	(104,046)
Non-controlling interests	**(565)**	(572)
Total comprehensive loss for the period	**(114,496)**	(104,618)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2025

	Notes	At 30 June 2025 *RMB'000* (Unaudited)	At 31 December 2024 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment	*8*	**602,116**	608,814
Long term prepayments and other receivables		**36,304**	37,679
Right-of-use assets		**132,579**	129,304
Investments in associates		**–**	1,102
Equity investments designated at fair value through other comprehensive income		**3,770**	3,841
Deferred tax assets		**13,964**	15,099
Total non-current assets		**788,733**	795,839
Current assets			
Inventories		**366,752**	376,852
Trade and bills receivables	*9*	**1,206,104**	1,652,443
Contract assets	*10*	**116,411**	129,726
Prepayments, other receivables and other assets	*11*	**208,672**	246,157
Current tax recoverable		**80**	334
Pledged deposits		**211,253**	510,979
Cash and cash equivalents		**124,249**	270,699
Total current assets		**2,233,521**	3,187,190
Current liabilities			
Interest-bearing bank and other borrowings		**819,404**	952,661
Trade and bills payables	*12*	**948,041**	1,563,184
Other payables and accruals	*13*	**115,649**	153,888
Contract liabilities		**21,732**	34,457
Current tax payable		**34,814**	34,809
Warranty provision	*14*	**2,829**	1,367
Current portion of Lease liabilities		**8,666**	8,207
Total current liabilities		**1,951,135**	2,748,573
Net current assets		**282,386**	438,617
Total assets less current liabilities		**1,071,119**	1,234,456

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2025 (continued)

	Notes	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Interest-bearing bank and other borrowings		**1,358**	1,544
Deferred tax liabilities		**2,384**	2,282
Deferred income		**76,802**	83,800
Lease liabilities		**43,487**	37,874
Warranty provision	*14*	**99,152**	146,524
Total non-current liabilities		**223,183**	272,024
Net assets		**847,936**	962,432
Equity			
Equity attributable to owners of the parent			
Share capital		**285,924**	285,924
Reserves		**545,061**	658,992
		830,985	944,916
Non-controlling interests		**16,951**	17,516
Total equity		**847,936**	962,432

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2025 − unaudited

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash generated from/(used in) operations	**57,476**	(104,883)
Tax paid	**(71)**	(16,834)
Net cash flows generated from/(used in) operating activities	**57,405**	(121,717)
Net cash flows used in investing activities	**(44,973)**	(82,108)
Net cash flows used in financing activities	**(159,602)**	(175,827)
Net decrease in cash and cash equivalents	**(147,170)**	(379,652)
Effect of exchange rate changes	**720**	(46)
Cash and cash equivalents at 1 January	**270,699**	578,364
Cash and cash equivalents at 30 June	**124,249**	198,666

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with both IAS 34 Interim Financial Reporting and HKAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards and HKFRS Accounting Standards.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard and HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21/HKAS 21 (amendments)	*Lack of Exchangeability*

These amendments that are first effective for the current period of the Group did not have any impact on the financial position or performance of the Group that have been prepared or presented in this interim condensed consolidated financial information.

3. SEGMENT REPORTING

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

(a) the manufacture and trading of photovoltaic modules ("**Segment A**");

(b) the construction and operation of photovoltaic power plants ("**Segment B**"); and,

(c) the manufacture and trading of semiconductor and others ("**Segment C**").

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

(a) Segment results, assets and liabilities

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

Information regarding the Group's reportable segments as provided to the Group's CODM for the period is set out below:

	Six months ended 30 June							
	Segment A		Segment B		Segment C		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Sales to external customers	**978,957**	1,632,925	**22,756**	36,341	**20,624**	23,976	**1,022,337**	1,693,242
Intersegment revenue	**1,216,644**	2,248,863	**49,197**	6,112	**64,294**	92,567	**1,330,135**	2,347,542
Reportable segment revenue	**2,195,601**	3,881,788	**71,953**	42,453	**84,918**	116,543	**2,352,472**	4,040,784
Reportable segment (loss)/profit	**(90,128)**	(112,209)	**(6,986)**	(13,448)	**(12,568)**	23,938	**(109,682)**	(101,719)

	Segment A		Segment B		Segment C		Total	
	At 30 June 2025	At 31 December 2024	**At 30 June 2025**	At 31 December 2024	**At 30 June 2025**	At 31 December 2024	**At 30 June 2025**	At 31 December 2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
Reportable segment assets	**1,503,868**	2,339,565	**325,821**	311,084	**1,192,565**	1,332,380	**3,022,254**	3,983,029
Reportable segment liabilities	**1,341,112**	2,200,077	**214,051**	194,998	**619,155**	625,522	**2,174,318**	3,020,597

Other segment information:

	Six months ended 30 June							
	Segment A		Segment B		Segment C		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Interest income from bank deposits	**3,341**	6,571	**834**	22	**696**	795	**4,871**	7,388
Finance costs	**(13,058)**	(21,141)	**(3,379)**	(3,176)	**(5,871)**	(7,038)	**(22,308)**	(31,355)
Depreciation and amortisation	**(52,744)**	(72,234)	**(4,518)**	(1,469)	**(4,953)**	(4,931)	**(62,215)**	(78,634)
(Impairment losses)/reversal of impairment losses on trade receivables and contract assets	**(38,277)**	3,285	**(1,398)**	(3,525)	**(140)**	(31)	**(39,815)**	(271)
(Write-down)/reversal of write-down of inventories	**(1,743)**	2,394	**7**	(12,927)	**412**	(1,954)	**(1,324)**	(12,487)
Capital expenditure	**25,556**	23,897	**31,524**	76,963	**1,179**	338	**58,259**	101,198

(b) For the six months ended 30 June 2025, revenue from the major customers, each of which amounted to 10% or more of the Group's total revenue, is set out below:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A – From segment A	**410,924**	442,032
Customer B – From segment A	**146,439**	302,990

(c) **Geographic information**

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Mainland China (place of domicile)	**873,310**	1,375,824
Export sales		
– Japan	**135,777**	186,444
– Asia (excluding Japan)	**12,168**	20,809
– Europe	**–**	109,770
– Others	**1,082**	395
Sub-total	**149,027**	317,418
Total	**1,022,337**	1,693,242

4. OTHER INCOME AND GAINS, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants	**21,746**	48,839
Interest income from bank deposits	**4,871**	7,388
	26,617	56,227
Other gains, net		
Net foreign exchange gain	**10,750**	2,270
(Loss)/gain on disposal of property, plant and equipment	**(334)**	19,340
Gain from sales of other materials	**1,079**	737
(Loss)/gain on disposal of an associate	**(102)**	53
Gain on disposal of a subsidiary	**88**	–
Others *	**3,340**	15,723
	14,821	38,123
Total	**41,438**	94,350

* For the six months ended 30 June 2024, it included receipt of the trade receivables of RMB11,034,000 that had been written off in previous years.

5. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Salaries, wages and other benefits	**88,273**	122,207
Depreciation of right-of-use assets	**6,647**	3,791
Depreciation of property, plant and equipment	**55,568**	74,843
Write-down of inventories	**1,324**	12,487
Research and development costs	**8,042**	9,564
Reversal of provision for warranty	**(36,009)**	(4,769)
Impairment losses on trade receivables and contract assets	**39,815**	271
Impairment losses of property, plant and equipment	**8,966**	48,767
Loss/(gain) on disposal of property, plant and equipment	**334**	(19,340)
Loss/(gain) on disposal of an associate	**102**	(53)
Gain on disposal of a subsidiary	**(88)**	–
Cost of inventories sold*	**978,034**	1,652,733
Cost of services rendered*	**53,110**	18,544

* Cost of inventories sold and cost of services rendered include, in aggregate, RMB110,906,000 and RMB156,869,000 for the six months ended 30 June 2025 and 2024, relating to staff costs and depreciation.

6. INCOME TAX EXPENSE/(CREDIT)

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax – the PRC		
Provision for the period	**108**	11,146
Provision adjustment in respect of prior years	**221**	(3,790)
	329	7,356
Deferred tax	**1,237**	(11,391)
Income tax expense/(credit)	**1,566**	(4,035)

7. BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity holders of the parent of RMB109,117,000 (six months ended 30 June 2024: loss of RMB101,147,000) and the weighted average of 3,323,771,133 ordinary shares of the Company outstanding during the period (six months ended 30 June 2024: 3,323,771,133).

(b) Diluted loss per share

The Company had no dilutive potential ordinary shares outstanding for the periods ended 30 June 2025 and 2024.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment at a total cost of RMB58,259,000 (six months ended 30 June 2024: RMB101,198,000).

During the six months ended 30 June 2025, an impairment loss of RMB8,966,000 was recognised for certain plant in Segment C as a result of temporary idleness during the period. The recoverable amount is determined based on the higher of the value-in-use calculation or the fair value less costs of disposal, as these assets are not capable of generating positive cash inflows independently, management determined the recoverable amounts based on the fair value less costs of disposal for above plant. Management assessed the recoverable amounts of those assets were minimal and a full impairment provision of RMB8,966,000 was provided.

9. TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Trade receivables	**1,157,066**	1,279,165
Bills receivable	**131,007**	418,492
Less: Impairment	**(81,969)**	(45,214)
Total	**1,206,104**	1,652,443

The carrying amounts of bills receivable as at the end of the reporting period are as follows:

	Financial asset at fair value through other comprehensive income *RMB'000*	**Financial assets at amortised cost** *RMB'000*	**Total** *RMB'000*
As at 30 June 2025	28,114	102,893	131,007
As at 31 December 2024	121,801	296,691	418,492

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

During the six months ended 30 June 2025, the Group's net impairment losses on trade receivables and contract assets amounted to approximately RMB39.82 million, in which, the impairment losses on trade receivables and contract assets balances due from a customer amounted to approximately RMB40.22 million. Due to the sharp and significant decline in selling prices in the years ended 31 December 2023 and 2024, there were disputes between the Group and this customer who refused to comply with its duty, therefore the Group filed a lawsuit against the customer. During the current reporting period, as a result of the handing down of the final judgement in favour of this customer in respect of the lawsuit, the Group has assessed the expected loss rate individually for this customer, and made a full provision on balances due. In addition, the Group individually assessed the expected loss rates for certain customers who have been in mediation agreements and provided impairment losses amounting to RMB3.99 million. The aggregate gross receivables from these customers were RMB151.58 million, who had paid RMB106.25 million in total between July and August 2025. The Group expects the remaining balance of RMB45.33 million will be settled by 31 December 2025. During the six months ended 30 June 2024, the Group's net impairment losses on trade receivables and contract assets amounted to approximately RMB0.27 million.

The ageing analysis of trade and bills receivables (net of allowance for doubtful debts) at the end of the reporting period based on the invoice date is as follows:

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Within 1 year	**989,332**	1,296,199
1 to 2 years	**126,535**	255,775
2 to 3 years	**38,835**	52,843
Over 3 years	**51,402**	47,626
Total	**1,206,104**	1,652,443

The Group normally allows a credit period of 30 to 180 days for its customers. However, regarding domestic photovoltaic module sales, some trade receivables are granted longer credit periods of over 180 days, depending on the construction period of photovoltaic power plants.

10. CONTRACT ASSETS

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Contract assets arising from:		
Sale of industrial products	**101,251**	101,273
Construction services	**22,001**	32,234
Less: Impairment	**(6,841)**	(3,781)
Total	**116,411**	129,726

11. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 30 June 2025 ***RMB'000*** **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Prepayments for raw materials	**54,688**	88,386
Deductible value-added tax	**93,683**	85,255
Other receivables	**60,301**	72,516
Less: Impairment	**–**	–
Total	**208,672**	246,157

12. TRADE AND BILLS PAYABLES

	As at 30 June 2025 ***RMB'000*** **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Trade payables	**611,046**	916,246
Bills payable	**336,995**	646,938
Total	**948,041**	1,563,184

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

	As at 30 June 2025 ***RMB'000*** **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Within 1 month	**173,540**	550,019
1 to 3 months	**400,065**	410,330
4 to 6 months	**324,302**	555,024
7 to 12 months	**25,754**	24,139
Over 1 year	**24,380**	23,672
Total	**948,041**	1,563,184

13. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2025 *RMB'000* **(Unaudited)**	As at 31 December 2024 *RMB'000* (Audited)
Payables for acquisition of property, plant and equipment	**27,656**	40,892
Payables for other taxes	**6,393**	8,597
Payables for freight charges	**12,346**	12,301
Payables for staff-related cost	**10,045**	29,086
Dividends payable	**6,177**	6,182
Other payables and accruals	**53,032**	56,830
Total	**115,649**	153,888

14. WARRANTY PROVISION

The Group's photovoltaic modules are typically sold with a 2-year or 5-year warranty for defects in materials and workmanship, and a 10-year or 25-year minimum power output warranty against declines of initial power generation capacity of more than 10% and 20%, respectively, from the date of receipt. The Group has the obligation to repair or replace solar modules, under the terms of the warranty policy. The Group maintains warranty reserves to cover potential liabilities that could arise under these warranties.

The Group has adopted the equivalent of 0.625% of photovoltaic modules' revenues to estimate the warranty obligation, which is consistent with the practice of the photovoltaic industry. Based on the historical experience and best estimation, the Group believes that the average selling price of photovoltaic modules over the past two years would reflect the estimated warranty cost liability. The Group reversed the warranty provision of RMB36,009,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: a reversal of RMB4,769,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

Operations Summary

Shifting from high-carbon to low-carbon solutions in the green and low-carbon era, renewable and clean energy, represented by photovoltaics, has become the main development strategy and goals for most of countries around the world in the energy consumption. Supported by the global energy transition imperative, more governments' policies and strategic supports, cost reductions and continuous advancement in photovoltaic technological development, photovoltaic energy remains the fastest growing energy source and maintains a clear competitive advantage over other sources of renewable energy and fossil fuel, so the sustained growth in demand for photovoltaic products has already occurred. The Group has maintained a high-quality development in business in and has continuously focused on the manufacturing and sales of downstream photovoltaic modules in the photovoltaic industry. Our major customers of photovoltaic modules are large domestic state-owned enterprises in the People's Republic of China (the "**PRC**"), multinational corporations and other photovoltaic end-user customers. In addition, the Group is engaged in the installation of photovoltaic systems and the development, design, construction, operation and maintenance of photovoltaic generation plants.

As the first batch of domestic photovoltaic enterprises engaged in the production of photovoltaic products, with 20 years of experience in the photovoltaic industry, the Group now has accumulated mature experience in terms of technology, domestic and overseas market development, industrial chain cooperation, brand effect, premium services, etc. Subsidiaries of the Group have obtained more than 400 National patents, third prize of National Business Science and Technology Progress Award, first prize for China's Industry-Academic Cooperation Innovation Achievement and more than 40 provincial and municipal science and technology first prizes, second prizes, and achievement awards. The awards are: National High-tech Enterprise, National Green Factory, National Intelligent Photovoltaic Pilot Demonstration Enterprise, National Photovoltaic Manufacturing Industry Specified Conditions Admission Regulated Enterprise, National Intellectual Property Advantage Enterprise, Provincial Specialized and Sophisticated Small and Medium-sized Enterprise, Provincial Advanced Intelligent Factory, Provincial Potential Unicorn, Provincial Industrial Internet Platform, Provincial First Batch of Carbon Peaking and Carbon Neutrality Pilot Project, Mayor's Quality Award, Provincial Green Supply Chain Management Enterprise, Provincial Five-star Cloud Enterprise, Provincial Enterprise Technology Center, Provincial Engineering Technology Research Center, Photovoltaic Testing Center with China National Accreditation Service for Conformity Assessment's laboratory accredited, National Model Enterprise of Harmonious Labor Relations – Excellent Enterprise, National Civilized Unit, Top 500 Global New Energy Companies in 2024 (No.282), Top 500 PRC Energy Companies (Group) in 2024 (No.323), Top 20 PRC Photovoltaic Module Companies in 2025 (No.15), Top 100 PRC Photovoltaic and Energy Storage Brands in 2024 (No.56), Photovoltaic Brand Lab (PVBL)

2025 Global Photovoltaic Top 100 (No.96), PVBL Global Photovoltaic Brand Value (Module) Top 20 (No.12), PVBL 2024 Global Photovoltaic Brand Communication Award, 2024 Most Influential Photovoltaic Module Enterprise, 2024 Distributed Photovoltaic Gold Product Award, 2024 Leading China's Top 100 Renewable Energy Photovoltaic Enterprises, and 2025 (7th) China Household and Industrial and Commercial Photovoltaic Storage and Charging Industry's Module Product Award. The Group is the vice chairman unit of PRC Photovoltaic Industry Association, vice chairman unit of Semiconductor Materials Branch of and standing council unit of China Electronic Materials Industry Association, Household Photovoltaic Professional Committee unit, Standardization Technical Committee unit and Photoelectric Building Professional Committee unit of China Photovoltaic Industry Association and expert member of Photovoltaic Professional Committee of China Renewable Energy Society. Solar photovoltaic modules are rated as national grade's green design products.

As at the end of June 2025, the total production capacity of our production bases was 10.2 GW of modules due to the production scale, the high-efficiency and high production capacity layout of the Group. Overall, the Group will continue to refine and demonstrate stronger comprehensive competitiveness and solid reputation, and is dedicated to providing high-quality but low-cost products.

Module businesses

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

The current main base of the Group for monocrystalline module production is located in Yancheng, Jiangsu. In addition to relying on the various preferential investment supporting policies from the local government, the area around the Yangtze River Delta is an agglomeration area for the supply of raw and auxiliary materials which provides advantage in terms of procurement. In order to meet the evolving needs of module customers in the market, the Group has upgraded module production capacity in Yancheng, Jiangsu, to maintain the advanced stage of the production lines and further strengthen the economic scale advantage of module products. As of the end of June 2025, the module production capacity of the production base in Yancheng, Jiangsu was 8.3 GW, while the total module production capacity of the Group was 10.2 GW. Through the completion of the layout of high-efficiency production capacity, it has begun to show stronger overall competitiveness and the production cost reduction, and led to obvious market benefits and customer supports.

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

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

Construction and operation of photovoltaic system business

Besides devoting its efforts in stabilising the development of its manufacturing business, the Group has been actively expanding the end-user power plants construction and application business which not only drives the sales of module products in a bottom-up manner, but also it will spread the profits of construction and operation of the photovoltaic system businesses, so as to bring additional revenue and improve the overall business performance of the Group. The Group's photovoltaic system business includes traditional distributed power station EPC business, electric vehicles photovoltaic charging station, Building Applied Photovoltaics (BAPV) business, Building Integrated Photovoltaics (BIPV) business and zero-carbon mobile building business. With the national policy background of the PRC government's vigorous advocacy of "carbon emissions peaking", "carbon neutrality", the construction of "green buildings", "zero energy buildings", "green building standards" and the implementation of rooftop distributed photovoltaic development program after "Opinions on Promoting Green Development of Urban and Rural Construction" issued by the State Council of the PRC, "Work Plan of Accelerating the Promotion of Energy Conservation and Carbon Emissions Reduction in the Construction Sector" jointly formulated by National Development and Reform Commission and Ministry of Housing and Urban-Rural Development, and the "Notice on the Pilot Scheme of Country-wide (City, District) Distributed Rooftop Project" published by the National Energy Administration, taking into account of the current huge building volume and a massive amount of promising and potential distributed photovoltaic generation capacity for the development in the PRC, the Group anticipates that BIPV business would have broad development prospects, and will focus on developing two major application areas: BIPV and zero-carbon mobile buildings. BIPV will achieve business growth in sectors such as customized BIPV crystalline silicon modules for curtain walls, green building consulting for large public projects, and EPC construction of BIPV projects. The zero-carbon mobile building business is mainly aimed at the international market. The prefabricated nature and electricity self-sufficient features can solve the problem of high labor costs for house construction and difficulty in grid access in some countries. Currently, the customers of the Group's zero-carbon mobile building business are mainly from the Middle East, Japan and other countries or regions. With its unique building and photovoltaic application technology, zero-carbon mobile building products have a broad market demand in the fields of cultural tourism, commerce, municipal administration, etc. in various countries.

Leveraging its comprehensive R&D and rich technological experience accumulated in the photovoltaic industry while strengthening industry-university-research cooperation, the Group formally signed an industry-school cooperation agreement in the past with the School of Architecture, School of Civil Engineering and Architectural Design Institute of Southeast University, and it will cooperate with Southeast University to establish a BIPV research and development line to conduct in-depth research and development in the field of zero-carbon buildings and BIPV monocrystalline silicon in Nanjing city and Yancheng city, Jiangsu province with a view to enhancing the photoelectric conversion efficiency of BIPV module and lower the production costs, and actively leading the formulation and development of national and industrial standards of BIPV in the area of zero-carbon green buildings. At the same time, the industry-university-research base cooperated by the two parties will also become the postgraduate teaching place of the School of Architecture and School of Civil Engineering of Southeast University. In addition, the Group is carrying out a series of research and development projects in cooperation with the National Housing and Residential Environment Engineering Technology Research Center for BIPV structural components and other areas. Moreover, the zero-carbon mobile building products independently developed by the Group integrate prefabricated buildings with customized photovoltaics and energy storage, enabling off-grid energy operation and self-sufficiency in electricity. These products fill the current gap in China's domestic market. The Group is taking the lead in formulating association standards for zero-carbon buildings and zero-carbon stations and determining the technical specifications for the products. The Group's developed products of BIPV modules, BIPV structural components and zero-carbon mobile buildings have obtained more than 50 patent authorizations which will enhance the Group's market competitiveness and technological strength. The Group expects that, with the continuous development of BIPV business in the building photovoltaic market and more emergence of new scenarios application, the photovoltaic system construction and application business would experience further sustained healthy growth in the future.

Semi-conductor business

The PRC market is the world's largest semiconductor application market. The Group is engaged mainly in the production and sales of 6–8 inches semiconductor grade monocrystalline silicon ingot with heavy doping (including arsenic, antimony, phosphorus and boron products which are at the leading level of the industry), 6–8 inches semiconductor grade monocrystalline silicon ingot with lightly doping and 13–15-inches semiconductor monocrystalline silicon. 13-15 inches semiconductor monocrystalline silicon products have been bulk exported to South Korea. During the first half of 2025, due to severe competition in the electronics market in China, the price of semiconductor monocrystalline silicon has dropped. The Group expects that in the context of the growth of the Chinese semiconductor market in the long run, the semiconductor business will maintain growth in the future and contribute profits to the Group. Over the next three years, the Group will focus on the research, development, production, and sales of semiconductor monocrystalline silicon with heavy doping required for 8-inches wafers for automotive chip. It is expected that 70% of semiconductor monocrystalline silicon will be 8-inches over the next three years. At the same time, the Group will develop higher-end 12-inches semiconductor monocrystalline silicon with heavy doping to provide high-quality and reliable new semiconductor materials for the development of high-tech intelligent control in order to meet the demand of chip market.

Operation Strategy

Through technological innovation, the continuous advancement of photovoltaic production technology and cost-efficiency improvement, the production cost per watt of photovoltaic power generation has dropped sharply. At present, the photovoltaic applications have reached the target of grid parity in many regions, and photovoltaic power generation becomes China's second largest power generating source. With acceleration in the process for photovoltaic industry to move from grid parity to low-price, demand growth in the downstream photovoltaic installation has become an inevitable trend for photovoltaic industry development. In the premises, production related equipment also needs to be upgraded in order to be in line with technological advancement and to improve production efficiency. Therefore, the Group has upgraded and transformed existing production capacity and facility. Mass output by comprehensive upgrade of production capacity and facility has also been realised accordingly.

By deploying a core product strategy of continuous development of the Group's module product portfolio, the Group maintains its focus on effectively utilising its existing resources and capacities. Since our photovoltaic module customers are mostly domestic state-owned enterprises or large multinational corporations, the market position and strength possessed by these module customers are the strongest in the overall photovoltaic industry chain. Therefore, the Group has established a direct supply relationship with large module customers through significant module production capacity and low cost and high quality advantages to enhance its market presence, which maintains a more stable module product estuary.

Operating Performance

During the first half of 2025, the whole photovoltaic industry in China continued to face unprecedented challenging and complicated environment and underwent significant adjustments. Many key players in the industry incurred significant losses due to the supply-demand imbalances and intense price competition. The Group, as one of the major manufacturers of photovoltaic modules, also recorded a decrease in revenue and a loss, mainly because of the negative impact of the significant decrease in photovoltaic module prices and the margin erosion as a result of the over-capacity of photovoltaic module production in the industry and intensified competition. The Group will intensify its efforts to improve operational efficiency and strictly control costs, and continue to actively enhance its competitiveness.

The total external shipment volume of the Group's major products, photovoltaic modules, decreased from 1,908.9MW in the same period last year to 1,509.5MW during the period. Due to the persistent oversupply across the entire photovoltaic industry chain, industry players engaged in fierce competition by lowering prices to gain market share. This led to a significant decline in the average selling prices of upstream, midstream, and downstream photovoltaic products, falling below the sustainable production costs. As a result, the Group's main product, photovoltaic modules, was also affected, leading to a decrease in external shipment volume.

The Group is devoted to the development and sales of monocrystalline high-efficiency module products, and corresponding modules products have been launched for different application scenarios. In large-scale ground power station scenarios, the focus is on promoting large-format, high-power photovoltaic modules. Based on the industry's mainstream 210R and 210N cell products, the 210RN cell module was designed and developed with a maximum power of 740 watts. Concurrently, this product can be paired with a conventional frame or an anti-dust frame to meet diverse installation needs. The 183N series all-black modules are carefully designed and developed for residential rooftop projects. Based on the 54-cell template, 36-cell, 30-cell and 16-cell special-shaped design modules have been developed, effectively increasing the number of installations in rooftop projects. For projects with limited reflected light, a module product with a glossiness of ≤1.5GU was designed. After a series of verifications, this product effectively solves the problem of reflected light and is suitable for projects such as airports and highways. In addition, a number of products, including 2000V system voltage modules, high hail resistance modules, quick-install frame modules, heterojunction with intrinsic thin layer (HJT) cell modules, zero busbar (0BB) cell modules and lightweight modules have been designed. Through the product diversification strategy, the Group will seize the differentiated market and expand the market sales of our products.

The Group actively promotes the use of materials that enhance efficiency and reduce costs, such as interstitial reflective films, laser welding lines, new aluminum alloy frames, and lightweight adhesive films. The application of these new materials effectively reduces module costs, thereby enhancing products' competitiveness in the market.

Moving forward, given (a) further enhanced product applications, efficacy and quality, technological cost advantages and large-size product lines with higher bargaining power, the Group will be able to gain market share; (b) the Group continues to maintain low-cost, high-efficiency production capacity and facility through more refined and smoother production process and operations, and optimised production and logistics processes, and stable operation, which can further demonstrate the advantages of economies of scale and the operational synergies, such as lower procurement, logistics and production costs; (c) the long-standing diversified and accumulated technological advantages of various product lines and product differentiation and innovation; (d) through proactive market positioning and flexible sales and marketing strategy to accelerate inventory turnover and adjusting the inventory levels for the purpose of maintaining a balance between sales and production; and (e) the strong client base in the PRC and overseas, it is expected that the decrease in the market prices of photovoltaic modules will gradually stabilise given the gradual slowdown in over-capacity of photovoltaic module production through market-driven adjustments or production curtailments, and the expected growth in the downstream photovoltaic installation demand at a moderated pace. Regarding the Group's business performance in the long-term prospects, the room for future improvement remains robust.

Financial Review

Revenue

The revenue of the Group decreased by 39.6% from approximately RMB1,693.2 million for the first half of 2024 to approximately RMB1,022.3 million for the period. The decrease in revenue was primarily attributable to a reduction in the external shipping volume of photovoltaic modules and a continued decline in photovoltaic module prices due to intense market competition.

Cost of sales

Cost of sales for the period decreased by 38.3% from approximately RMB1,671.3 million in the first half of last year to approximately RMB1,031.1 million for the period. The decrease was mainly in line with the reduction in the external shipping volume of photovoltaic modules and the corresponding decrease in revenue.

Gross profit margin

The Group's gross profit margin turned to negative gross profit margin of 0.9% in the first half of 2025. For the corresponding period in 2024, gross profit margin was 1.3%. Gross loss amounted to approximately RMB8.8 million in the first half of 2025, while gross profit amounted to approximately RMB22.0 million in the corresponding period in 2024. The change was mainly due to i) the decrease in the average selling price of photovoltaic modules; and ii) the increase in fixed costs per unit due to the decline in production. Such change was partly mitigated by saving in some direct operating costs under implementation of stricter cost controls.

Selling and distribution expenses

Selling and distribution expenses showed a net income of approximately RMB12.3 million for the period , a significant swing from a net expense of approximately RMB38.9 million in the first half of 2024. This change was primarily due to the fact that there was a larger reversal of warranty provision. Owing to a continuous decline in the average selling price of modules, the estimated liability for future warranty claims decreased, leading the Group to reverse approximately RMB36.0 million of its warranty provision in the current period, compared to a reversal of RMB4.8 million in the first half of 2024.

Administrative expenses

Administrative expenses mainly comprised of staff costs, research and development expenses and daily office expenses. The administrative expenses for the period amounted to approximately RMB81.9 million, as compared to approximately RMB102.8 million from the corresponding period of 2024. The decrease was mainly attributable to the Group's enhanced efforts to increase operational efficiency and implement strict cost controls.

Impairment losses on trade receivables and contract assets

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses, which are estimated using a provision matrix based on the Group's historical credit loss experience and adjusted for current economic conditions and debtor-specific factors. During the period, the Group recognized a significant impairment loss on trade receivables and contract assets of RMB39.8 million, a substantial increase from the RMB0.3 million loss in the first half of 2024. This change was primarily driven by a full provision of approximately RMB40.22 million made on balances due from a single customer following a final court judgment in that customer's favor. Additional impairment losses of RMB3.99 million were also provided for certain other customers who have been in mediation agreements.

Impairment losses of property, plant, and equipment

An impairment loss of approximately RMB9.0 million for property, plant, and equipment was recorded in the first half of 2025 (first half of 2024: RMB48.8 million) due to the recoverable amount being lower than the carrying amount of certain property, plant, and equipment.

Finance costs

Finance costs, which are mainly derived from bank and other borrowings, decreased by 29.0% from approximately RMB31.4 million in the first half of 2024 to approximately RMB22.3 million for the period. The Group continues to aim for lower finance costs by optimizing its financing sources.

Income tax

An income tax expense of approximately RMB1.6 million was recorded in the first half of 2025, compared to the income tax credit of approximately RMB4.0 million in the first half of 2024. The income tax expense for the period was mainly derived from the reversal of deferred tax assets of the Group.

Loss attributable to owners of the parent

Loss attributable to owners of the parent was approximately RMB109.1 million for the period, as compared to the loss attributable to owners of the parent of approximately RMB101.1 million in the corresponding period in 2024. The loss for the period was mainly due to the Group recording a gross loss and a significant impairment loss on trade receivables and contract assets. These were substantially offset by a decrease in administrative, selling expenses, and finance costs, as well as lower impairment losses on property, plant and equipment, resulting in a comparable loss to the prior period.

Inventory turnover days

The inventory turnover days for the period increased to 65 days, compared to 35 days as at 31 December 2024. The increase was primarily due to a strategic reduction in order volumes and external shipments in response to unfavorable market pricing.

Trade receivables turnover days

The sales of photovoltaic modules accounted for over 95% of the Group's overall sales for the period. According to the standard terms of the industry's module sales contracts, the recovery of certain module receivables depends on the construction progress of the customer's photovoltaic power plant, which often results in longer payment cycles. Trade receivables turnover days for the period increased to 273 days from 193 days as at 31 December 2024. This increase was due to settlement delays by some customers and reflects the significant credit event disclosed in this announcement. Save as disclosed in the note 9 to the unaudited interim financial information, the Group did not experience any significant credit risks due to strict credit control policies.

Trade payables turnover days

The trade payables turnover days increased to 219 days for the period, comparable to the trade payables turnover days of 205 days as at 31 December 2024.

Liquidity and financial resources

The principal sources of working capital of the Group during the period were cash flow from operating activities. As at 30 June 2025, the current ratio (current assets divided by current liabilities) of the Group was 1.1 (31 December 2024: 1.2). The Group had net borrowings of approximately RMB485.3 million as at 30 June 2025 (31 December 2024: RMB172.5 million), including cash at bank and on hand of RMB124.2 million (31 December 2024: RMB270.7 million), pledged deposits of RMB211.3 million (31 December 2024: RMB511.0 million), bank and other loans due within one year of RMB819.4 million (31 December 2024: RMB952.7 million) and non-current bank and other loans of RMB1.4 million (31 December 2024: RMB1.5 million). The net debt to equity ratio (net debt divided by total equity) was 57.2% (31 December 2024: 17.9%).

Earnings before interest, taxes, depreciation and amortisation

During the period, the Group's earnings before interest, taxes, depreciation and amortisation ("**EBITDA**") was approximately RMB-23.6 million (-2.3% of the revenue) (corresponding period of 2024: approximately RMB4.2 million, 0.3% of the revenue). The main reason for the decrease in EBITDA was mainly due to the Group recording a gross loss and a significant impairment loss on trade receivables and contract assets. These were substantially offset by a decrease in administrative, selling expenses, and finance costs, as well as a lower impairment loss on property, plant and equipment.

Net cash inflow/outflow from operating activities

The operating activities resulted in a net cash inflow of approximately RMB57.4 million in the first half of 2025, compared to a net cash outflow of approximately RMB121.7 million in the same period of 2024. The net cash inflow from operating activities was primarily due to a decrease in the external shipping volume during the period, which led to reduced demand for issuing bank acceptance bills, as well as the successful recovery of pledged deposits.

Foreign currency risk

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

Human resources

As at 30 June 2025, the Group had 1,670 employees (31 December 2024: 2,097 employees).

Business Outlook

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

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

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

In addition, with the further digestion of photovoltaic inventories in Europe and other regions since 2024, overseas main photovoltaic market demand is expected to gradually resume stable growth in 2025; and emerging incremental photovoltaic markets such as the Middle East and Africa are rapidly expanding, becoming a new growth point for the global photovoltaic market. As a key force in the global energy transformation, the photovoltaic industry still has huge long-term development potential, and the core elements supporting the upward development of the industry have not been changed. With the continuous breakthroughs in science and technology and the gradual standardization of the market, it is expected that the industry will usher in a new chapter.

Looking ahead, the Group will build core competitiveness through deepened strategic synergy and technological innovation, and adjust the approaches for domestic and foreign markets. In the domestic market, the Group will strengthen strategic cooperation with leading central State-owned enterprises and leading customers in the distributed photovoltaic sector, expedite the research and mass production application of next generation high-efficiency module technologies such as zero busbar (0BB) and back contact (BC), and further drive cost reduction and efficiency enhancement. For international market, the Group will implement the two-wheeled drive of "key customers + localization". On one hand, the Group will continue to consolidate strategic cooperation with overseas key customers. On the other hand, the Group will accelerate the construction of overseas sales networks and establish localized overseas sales teams focusing on exploring the markets in Southeast Asia and Central and Eastern Europe. Concurrently, a robust risk system will be established to deal with price fluctuations, policy and technology risks, laying the foundation for the rebalancing of industry supply and demand and the realization of technology dividends. With the deepening of the "dual carbon" goal and the acceleration of global energy transformation, the photovoltaic industry will embrace even broader development space. The Directors firmly believe that with the joint efforts of all employees of the Group and the support from partners, the Group will be able to navigate current market volatility and grasp new opportunities in energy transformation while strive for a green and low-carbon future.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance

Save for code provision C.2.1, the Company has met the code provisions set out in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**CG Code**") throughout the six months ended 30 June 2025.

The code provision C.2.1 of the CG Code stipulates that the roles of the Chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual. Following (i) the retirement of Mr. Tan Wenhua, the former chairman of the Board (the "**Chairman**") and an executive Director, and (ii) the appointment of Mr. Tan Xin, an executive Director and the chief executive officer of the Company, as the Chairman with effect from 10 June 2025 (details of which are set out in the announcement of the Company dated 10 June 2025), Mr. Tan Xin has assumed the dual roles of the Chairman and the chief executive officer of the Company. Having evaluated the situation of the Company and taking into account the experience and past performance of Mr. Tan Xin, the Board is of the opinion that it is appropriate for Mr. Tan Xin to hold both positions as the Chairman and the chief executive officer of the Company as it helps maintain the continuity of the policies and the stability of the operations of the Company, and this structure can ensure that the Company has consistent leadership. In addition, under the supervision by the Board which consists of two executive Directors and three independent non-executive Directors, the interests of the Shareholders can be adequately and fairly represented. Also, as all major decisions are made in consultation with and approved by the members of the Board, the Board believes that this arrangement will not have negative influence on the balance of power and authorisation between the Board and the management of the Company. Therefore, the Board considers the deviation from the Code Provision C.2.1 of the CG Code is appropriate under such circumstances.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Specific enquiries have been made by the Company to confirm that all Directors have complied with the Model Code for the six months ended 30 June 2025.

Audit Committee

The audit committee of the Company, comprising three independent non-executive Directors, has reviewed the accounting principles and practices adopted by the Group and such matters as internal controls and financial reporting with the management of the Company, including the review of the interim results for the six months ended 30 June 2025.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2025 and up to the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

At the date of this announcement, there are no important events affecting the Group which has occurred since 30 June 2025.

PUBLICATION OF FINANCIAL INFORMATION

The interim report for the six months ended 30 June 2025 containing all the detailed information will be dispatched to the shareholders of the Company and published on the respective websites of The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) and the Company (http://www.solargiga.com) in due course.

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

Hong Kong, 29 August 2025

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