CONCORD NEW ENERGY

CONCORD NEW ENERGY GROUP LIMITED

incorporated in Bermuda with limited liability

2024 ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

STOCK CODE 182

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors

Mr. Liu Shunxing *(Chairman)*
Ms. Liu Jianhong *(Vice Chairperson)*
Mr. Gui Kai *(Chief Executive Officer)*
Mr. Niu Wenhui
Mr. Zhai Feng
Ms. Shang Jia
Mr. Chan Kam Kwan, Jason

Non-executive director

Mr. Wang Feng

Independent non-executive directors

Ms. Huang Jian
Mr. Jesse Zhixi Fang
Mr. Zhang Zhong
Ms. Li Yongli
Mr. Chua Pin

COMPANY SECRETARY

Mr. Chan Kam Kwan, Jason

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

FINANCIAL INSTITUTIONS

Industrial and Commercial Bank of China Co., Ltd.
China Construction Bank Co., Ltd.
Bank of China Co., Ltd.
SPD Bank Co., Ltd.
China Merchants Bank Co., Ltd.
DBS Bank
Huaneng Tiancheng Financial Leasing Co., Ltd.
Industrial Bank Financial Leasing Co., Ltd.

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

30 Cecil Street #21-01/02
Prudential Tower
Singapore

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 4901, 49/F
Sun Hung Kai Centre
30 Harbour Road
Wan Chai
Hong Kong

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
17th Floor
Far East Finance Centre
No. 16 Harcourt Road
Admiralty
Hong Kong

WEBSITES

www.cnegroup.com
www.irasia.com/listco/hk/concordnewenergy/

Contents

CHAIRMAN'S STATEMENT

Dear Shareholders:

On behalf of the Board of Directors of Concord New Energy Group Limited, I hereby present the Group's Annual Report for the year 2024.

In 2024, various global macroeconomic headwinds and the transitional challenges arising from the rapid development of the renewable energy sector, the Group demonstrated keen industry insight, responded proactively to market dynamics, strengthened operational management, and focused on key markets, leveraged our inherent strengths, and achieved steady growth across all business segments. The Group's attributable power generation, attributable installed capacity, net assets, as well as revenue and profit from power generation all recorded year-on-year growth, while management expenses, the asset-liability ratio, comprehensive financing costs, and levelized cost of electricity (LCOE) saw declines. These achievements reflect our determination, resilience, and relentless pursuit of progress amid challenges, ensuring steady improvement in both scale and quality.

In 2024, the Group achieved remarkable success in project development globally, securing 1,399 MW of new wind and solar projects, including 720 MW in China and 679 MW in other countries. Furthermore, we acquired 308 MW/616 MWh of new international energy storage investment projects and built a strong pipeline of high-quality international project resources. The Group will leverage its proposed "Secondary Listing" in Singapore as an opportunity to further accelerate its global footprint and proactively expand into broader international development arenas.

In 2024, the Group's attributable installed capacity increased to 4,615 MW, and attributable power generation rose to 8.65 billion kWh, both marking new historical highs for the Group. Wind power accounted for nearly 90% of the generation portfolio, with stable growth both in revenue and profit, which further solidifies our foundation for long-term sustainable development.

In terms of Environmental, Social, and Governance (ESG) performance, the Group was awarded an AA rating by MSCI ESG and was recognized among the Top 10% in S&P Global ESG Score(China) and "Industry Mover (Power Generation)", which fully demonstrates that the Group's ESG performance is at an industry-leading level.

Through a year of proactive exploration and dedicated effort, the Group has further strengthened its asset base, improved its development conditions, reinforced its development quality, and broadened its development prospects. We are increasingly confident in achieving our established strategic goals.

Looking ahead to 2025, the global energy transition remains a clear and well-defined trend. The rising demand for electricity driven by new loads such as artificial intelligence continues to create immense opportunities for renewable energy development. Monetary policies in international major economies are expected to ease further, fostering a more favorable financing environment. Fueled by continuous technological innovation, the renewable energy sector is poised for new breakthroughs, unlocking new development opportunities and growth potential.

The Group will remain steadfast in our strategic goals, prioritizing "striving for management excellence" as a key lever to proactively address fierce industry competition and the profound reform of the electricity market. We will benchmark ourselves against world-class standards, diligently strengthen our internal management, and further enhance specialized and refined management to ensure the effective advancement of project development, construction, production, marketing, and other key businesses. We will adjust our business strategies in response to evolving conditions, continuously improve our organizational structure, and intensify our focus on strengthening technological capabilities and enhancing power marketing, concentrating resources in areas that best build the Group's core competitiveness and maximize financial returns. We will comprehensively implement performance-based assessments and optimize reward and incentive mechanisms to further reduce project costs and financing costs, implement cost reduction and efficiency improvement more deeply in all aspects, and continuously increase the Group's attributable installed capacity.

The Group will more steadfastly implement its established development strategy, meticulously strengthen management, focus on core competencies, and continuously seize new opportunities, expand into new spaces, and meet new challenges. We are confident in achieving new and greater success in 2025, delivering value to our shareholders and contributing positively to society.

Finally, on behalf of the Board of Directors, I would like to express my sincere gratitude to our shareholders, investors and friends from all sectors of society for your continued trust and support.

Chairman
Liu Shunxing
27 February 2025

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS ENVIRONMENT

Despite geopolitical conflicts, inflation, and trade barriers, the global economy grew by 2.8% in 2024. As global inflation eases and interest rates decline, the economic recovery is poised to accelerate. Driven by technological innovation and energy transition policies, global clean energy investment continued to rise, with the global renewable energy investment reaching US$728 billion in 2024, an 8% increase from the previous year, setting a new record and demonstrating the dynamism and resilience of the renewable energy sector.

(1) AI Fuels Power Demand Growth, Renewables Supported by Nations

After almost 20 years of flat electricity demand, US electricity consumption grew 2% in 2024. This growth was driven by a surge in energy-intensive loads, particularly artificial intelligence (AI) data centers, which spurred a wave of investment in the U.S. power sector. The installed capacity of both solar and energy storage in the United States experienced significant growth in 2024.

The European Union (EU) continued to expand its wind and solar power capacity. In 2024, wind and solar energy accounted for 28.1% of the EU's electricity generation, an increase of 1.4% from 2023, now matching the share of fossil fuels. EU legislation promoted power market reform by encouraging the adoption of Power Purchase Agreements (PPA) and Contracts for Difference (CfD), which aim to protect consumers from price fluctuations while also boosting investment in renewable energy.

In Asia, ASEAN reaffirmed its commitment to energy transition and climate action at COP29 in 2024, emphasizing the scaling up of renewable energy installed capacity, strengthening national grids, and enhancing cross-border interconnections within the ASEAN Power Grid (APG).

By the end of 2024, China's wind and solar capacity exceeded 1,400 GW, with wind and solar combined leading the power mix in 14 provinces. This rapid growth also led to a rise in curtailment. In November 2024, China passed the "Energy Law" to accelerate the development of the New Power System, strengthen coordination between power generation and the power grid, and enhance the power grid's capacity to integrate and dispatch renewable energy. In January 2025, China issued principal guidelines for deepening the market-based pricing mechanism for wind and solar power, emphasizing coordination and differentiated policies to stabilize project revenue expectations.

(2) Wind Turbine Upsizing Slows, Competition Benefits Wind Farm Investment

In 2024, the upsizing trend of wind turbines persisted, though at a slower pace. Some wind turbine manufacturers were shifting their focus from simply pursuing theoretical higher parameters and lower cost to prioritizing real-world power generation performance, long-term high reliability, and improved grid compatibility.

In 2024, international wind turbine prices remained elevated, showing a slight increase compared to 2023. The price of Chinese wind turbines per kilowatt continued to be low on a global scale, with stable market prices. Additionally, Chinese manufacturers are actively exploring manufacturing cooperation in broader international markets, thereby establishing reliable and competitive supply chains for wind projects in China and beyond.

(3) Active Innovation in Solar PV Modules, Low Prices Spur Market Boom

TOPCon captured 60% of the global solar panel market in 2024, thanks to its improved efficiency and sufficient production capabilities. BC-type solar cells achieved breakthroughs, with the efficiency of mass-produced modules surpassing TOPCon. With advancements in low-silver and silver-free technologies and rapid growth in production capacity, the costs of BC-type solar cells are expected to approach those of TOPCon by the end of 2025. Additionally, perovskite tandem cells and other technologies also demonstrated significant progress.

Global demand for solar modules continues to grow, with the number of countries reaching GW-level market size increasing from 31 in 2023 to 37 in 2024. Low module prices enabled power plant investors to reduce capex, further driving demand. China, Europe, the US, and other markets experienced rapid growth in new solar deployments.

(4) Novel Energy Storage Soars, Green Hydrogen Slows Awaiting Breakthroughs

In 2024, global battery energy storage costs fell sharply, averaging a 40% decrease. Driven by lower costs and strong demand, innovative energy storage solutions, particularly battery energy storage, experienced significant growth. GW-scale storage projects emerged in the US, Saudi Arabia, Chile, and other countries. Several EU nations launched government tenders for utility-scale energy storage. China added over 100 GWh of battery energy storage, representing an increase of over 100% year-over-year. Additionally, thermal storage, advanced compressed air storage, and flow battery storage are also expanding, with pilot projects becoming operational.

The global green hydrogen industry faces several challenges. Many pilot projects have fallen short of expectations due to low demand, immature technology, financing obstacles, and high costs. Despite these, the EU has approved EUR3 billion for the H2Global program, utilizing auctions to encourage the import of green hydrogen. Countries like Saudi Arabia and Australia are actively issuing policies to boost domestic green hydrogen production. Meanwhile, China is focusing on promoting the substitution of low-carbon hydrogen in key industrial sectors and enhancing the green hydrogen supply chain.

(5) Global Entry into Rate-Cutting Cycle, Steady Decline in China's Financing Costs

As global inflation eased in 2024, major economies entered the rate-cutting cycle, with both the European Central Bank and the U.S. Federal Reserve reducing rates by 100 basis points throughout the year. This favorable environment has stimulated international investment in renewable energy projects.

In 2024, the People's Bank of China cut the over 5-year loan prime rate (LPR) three times, reducing it by 60 basis points to 3.60%. This development is set to lower financing costs for renewable energy plants in China.

II. BUSINESS REVIEW

In 2024, the Group overcame various adverse factors within the industry, steadily advanced its diverse business operations and achieved robust development. The Group saw growth in its attributable installed capacity, attributable power generation, and revenue from continuing operations, while further reducing its levelized cost of electricity (LCOE) and continuously optimizing its financing structure.

In 2024, the Group achieved the continuing operations revenue of RMB2,752,054,000 (2023: RMB2,588,646,000), representing a year-on-year increase of 6.3%. Profit attributable to equity holders of the Group amounted to RMB805,133,000 (2023: RMB963,774,000), representing a year-on-year decrease of 16.5%. Basic earnings per share was RMB10.06 cents (2023: RMB11.42 cents), and diluted earnings per share was RMB10.05 cents (2023: RMB11.39 cents).

As of 31 December 2024, the Group had net assets of RMB8,906,306,000 (31 December 2023: RMB8,435,414,000) and net assets attributable to equity shareholders of the Group per share (excluding treasury shares held for the purpose of cancellation) was RMB1.09 (31 December 2023: RMB1.02).

(1) Project Development Achieved New Successes Globally

The Group closely monitored changes in the industry and market, decisively assessed developments in both international and Chinese markets, and promptly adjusted its development strategies. It focused on promising international markets and key provincial markets within China. In 2024, the Group secured a total of 1,399 MW of new wind and solar projects worldwide, including 720 MW in China and 679 MW abroad. Additionally, it secured 308 MW/616 MWh of energy storage projects in international markets.

For projects in China, we prioritize approvals, employ dynamic assessments for rigorous screening, and focus on reducing development costs, improving success rates, and mitigating risks. In 2024, we secured 720 MW of new wind and solar projects in China (listed in provincial annual construction plans). We secured 2,294 MW of new wind resources and 160 MW of new solar resources. By the end of 2024, our cumulative wind and solar resource reserves in China exceeded 10.75 GW, comprising approximately 6.5 GW of wind and 4.25 GW of solar resources.

Based on research of key national markets, the Group closed and merged offices in some regions, opened new country offices, strengthened local teams, and concentrated on key national markets that aligned with our strategy. We continued greenfield development and steadily expanded our international presence. In 2024, we secured 679 MW of new wind and solar projects, along with 308 MW/616 MWh of energy storage projects outside China, covering various markets. Additionally, we developed a pipeline of high-quality wind and solar projects.

(2) Continuous Growth in Attributable Capacity and Significant Reduction in Financing Costs

1. Construction in a Safe and Orderly Manner, Steady Growth in Attributable Installed Capacity

The Group proactively addressed challenges such as delays in grid connection permit and land use permit approvals, diligently executed all pre-construction preparations, proactively planned, overcame obstacles, and progressively resolved bottlenecks hindering the commencement of multiple projects, thereby ensuring the orderly progression of project construction.

In 2024, the Group achieved a total construction capacity of 2,562 MW. Of this total, 1,667 MW was from ongoing projects carried over from the previous year. Projects totaling 566 MW became operational this year (266 MW of wind and 300 MW of solar), while the remaining 1,996 MW of projects will continue construction into next year.

As of 31 December 2024, the Group owned operational wind and solar power plants with an attributable installed capacity of 4,615 MW, up from 4,050 MW as of 31 December 2023. This includes 3,732 MW from wind farms and 883 MW from solar PV power plants. The attributable installed capacity of the Group's owned subsidy-free wind and solar power plants has reached 3,189 MW, accounting for 69.1% of the Group's total attributable installed capacity.

Attributable Installed Capacity of Wind and Solar PV (MW)			
Business Segments	**2024**	**2023**	**Change Rate**
Wind	3,732	3,467	7.6%
Solar PV	883	583	51.5%
Total	4,615	4,050	14.0%

2. *Enhanced Design Capabilities and Intensified Design Optimization*

The Group's design division expanded its professional team, opened branch offices, and enhanced its design and consulting capabilities. This effectively ensured the provision of development consulting, engineering design, and construction drawing optimization services for the Group's projects. The design division conducted in-depth project optimization, completing 15 optimized designs in areas such as collector overhead lines, solar racking system selection and layout schemes, and wind turbine foundations. These efforts contributed to the Group's ongoing trend of decreasing capital expenditures per kilowatt for new projects. Additionally, the design division actively pursued external business opportunities, securing 118 new consulting and design contracts, along with 11 new EPC contracts. This resulted in a significant year-over-year increase in the total contract value of newly signed external agreements.

3. *Significant Reduction in Project Financing Costs*

In alignment with financing policies and the capital requirements of new projects, the Group meticulously designed and selectively identified the most cost-competitive financing solutions. During the reporting period, the average financing cost for newly drawn loans decreased to 3.43%, while the Group's overall financing cost fell to 3.98%, both reaching historical low levels.

Comprehensive Financing Rate				
Year	2024	2023	2022	Change 2024/2023
Comprehensive Financing Rate	3.98%	4.60%	5.48%	-62bps

(3) Steady Growth in Power Generation, Continuous Increase in Power Plant Revenue and Profit

1. Stable and Safe Power Production, Sustained Growth in Attributable Power Generation

The Group continuously enhances its safety management system, implements professional safety and quality management practices, and rigorously enforces process controls. As a result, the Group's power plants maintained safe and stable operations, with no incidents resulting in serious personal injury or worse, and no major equipment accidents.

During the reporting period, the Group achieved steady growth in attributable power generation, which increased by 10.5% compared to the previous year. Attributable power generation from wind power increased by 10.2%, while attributable power generation from solar PV increased by 12.8% year-over-year. This year, wind power accounted for over 89% of the total attributable power generation.

Attributable Power Generation (GWh)			
Business Segments	**2024**	**2023**	**Change Rate**
Wind	7,702	6,988	10.2%
Solar PV	943	836	12.8%
Total	8,645	7,824	10.5%

MANAGEMENT DISCUSSION AND ANALYSIS

2. Sustained Growth in Overall Revenue and Profit

In 2024, the Group's subsidiary-owned power plants achieved revenue of RMB2,515,951,000, reflecting an 11.35% increase compared to 2023. These power plants also generated a net profit of RMB797,814,000, marking a 4.69% rise over the previous year. Notably, the revenue and profit from the Group's subsidiary-owned wind farms demonstrated steady growth, further solidifying the foundation for the Group's sustained development. However, due to increased wind and solar curtailment and unfavorable resource conditions in certain regions, the profits of the Group's subsidiary-owned solar PV power plants and jointly-owned wind and solar power plants declined year-over-year.

Revenue and Net Profit from Power Plants (RMB'000)			
	2024	**2023**	**Change Rate**
Revenue from Subsidiary-owned Power Plants	2,515,951	2,259,413	11.35%
Including: Wind	2,154,968	1,893,041	13.84%
Solar PV	360,983	366,372	-1.47%
Net Profit from Subsidiary-owned Power Plants	797,814	762,048	4.69%
Including: Wind	732,853	664,885	10.22%
Solar PV	64,961	97,163	-33.14%
Net Profit from Jointly-owned Power Plants	157,898	190,887	-17.28%
Including: Wind	153,580	186,373	-17.60%
Solar PV	4,318	4,514	-4.34%

In 2024, the Group achieved green electricity transactions totaling 811 million kWh and delivered sales of 6.41 million green certificates, both reflecting year-over-year increases. By intensifying participation in green electricity trading and signing long-term green certificate sales agreements with key clients, the Group has enhanced the certainty of future revenue streams.

3. *Decline in Operational Performance Indicators*

In 2024, the Group's weighted average utilization hours for wind farms were 2,192 hours, and for solar PV power plants, they were 1,272 hours. Both figures reflected a decrease compared to the previous year, primarily due to adverse weather conditions, increased rates of wind and solar curtailment, and regional resource degradation. Nevertheless, these utilization hours remained 3.1% and 5.0% higher than the national average in China, respectively.

Weighted Average Utilization Hours (Hour)					
	Power Plants invested by the Group			China's average	Greater than China's average
Business Segments	2024	2023	Change Rate	2024	2024
Wind	2,192	2,449	-10.5%	2,127	+3.1%
Solar PV	1,272	1,455	-12.6%	1,211	+5.0%

In 2024, the average wind curtailment rate for the wind farms owned by the Group was 9.5%, while the rate for the solar power plants was 18.5%, both reflecting an increase from the previous year. This rise was primarily due to the growth in installed wind and solar power capacity in many regions outpacing the optimization of grid infrastructure and the increase in electricity demand, resulting in higher levels of wind and solar curtailment.

Curtailment Rate (%)			
Business Segments	2024	2023	Change
Wind	9.5%	3.7%	+5.8pp
Solar PV	18.5%	5.9%	+12.6pp

Due to the increased share of subsidy-free projects and power trading, the average comprehensive electricity price of the Group's power plants experienced a slight decrease. However, the Group achieved environmental revenue by actively participating in green electricity trading and selling green certificates. While the decline in electricity prices reflects a general trend within the industry at this stage, the Group's average levelized cost of electricity (LCOE) has continued to decrease steadily, driven by reduced costs for new power plants and the optimization of existing plant quality. This has effectively offset the impact of the decline in the average blended electricity price, ensuring the Group's ongoing sound and sustainable development.

Average Comprehensive Electricity Price (RMB/kWh, including VAT)			
Business Segments	**2024**	**2023**	**Change**
Wind	0.3933	0.4042	-0.0109
Solar PV	0.4552	0.5196	-0.0644

(4) Strengthened Operational Management, Adjusted Business Strategies

Facing intense competition, the Group comprehensively strengthened operational management, optimized business strategies, implemented multi-faceted cost reduction measures, continuously optimized assets, and improved overall profitability.

1. Adjusting Business Strategies in Response to Changes

In response to industry changes, the Group decisively adjusted its business strategy, adhering to a principle of selective engagement.

We established a new department of Power Market and Marketing to further enhance our expertise in power trading and marketing. We also created a department of Commercial Development to systematically manage projects not included in our investment plans, proactively unlocking the projects' value through various cooperation models, and achieved early success. We also discontinued our financial leasing business to concentrate on our core business.

Based on grid development, power consumption, and electricity price trends, the Group conducted a comprehensive review and dynamic assessment of our ongoing projects. We promptly adjusted our development strategies, decisively halting project development in certain provinces in China. Additionally, we closed and merged some offices while opening new national offices in alignment with our business strategies. This approach allows us to concentrate resources on key regions and high-quality projects that better align with the Group's strategy.

2. Reducing Costs and Improving Efficiency through Various Measures

The Group tightly controlled costs by enhancing budget management and refining expense analysis. It streamlined organizational structures and personnel to align with changes in business strategy. By emphasizing on efficiency per capital and boosting productivity, the Group has effectively curbed the growth of administrative expenses, resulting in a significant 15% year-over-year reduction in these expenses.

3. *Continuously Optimizing Assets*

In 2024, the Group developed asset disposal plans in response to changing industry conditions. We actively expanded partnerships with international companies, developed asset optimization plans that proactively responded to market changes, and successfully sold 50 MW equity installed capacity in power plants.

III. ESG PERFORMANCE

The Group consistently upholds the principles of sustainable development, rigorously adheres to environmental regulations and international standards in the countries where our projects are located, and actively fulfills our social responsibilities through various initiatives that contribute to society. We fully integrate environmental, social, and governance (ESG) strategies into our operations, fostering harmony between people and nature.

During this reporting period, the Group's ESG performance continued to set industry standards, with our MSCI ESG rating upgraded to AA. We were featured in S&P's Sustainability Yearbook 2024 (China Edition) and received two special recognitions: Top 10% S&P Global ESG Score (China) and Industry Mover (Power Generation Sector).

We are committed to clean power generation such as wind and solar power, reducing greenhouse gas emissions, air pollution, and the consumption of coal and water. Additionally, we actively address climate change, enhance our environmental management practices, and strive to minimize the environmental impact of our operations.

Emission Reduction from Power Plants		
Emission Reduction Indicators	**2024**	**Accumulated Amount**
CO_2 (Kilotons)	6,255	61,715
SO_2 (Tons)	2,090	31,739
NO_x (Tons)	2,179	29,661
Standard Coal Saving (Kilotons)	3,424	24,197
Water Saving (Kilotons)	13,523	126,138

MANAGEMENT DISCUSSION AND ANALYSIS

IV. HUMAN RESOURCES

The Group consistently upholds its core values of "people-oriented, value creation, and excellence pursuit". In alignment with the Group's strategic development needs, we have implemented an organizational performance management system to optimize personnel and position alignment. We also conducted tiered leadership training programs and other specialized training, continued to deepen our partnerships with universities, and strengthened the development of our talent pipeline and the cultivation of high-caliber talent.

As of 31 December 2024, the Group employed 814 full-time staff across several countries. Of these, 191 employees are based at the Group's headquarters and management center, 481 are involved in project development, construction, and operational management of power plants, while 142 are engaged in design, consulting and other business activities.

V. FINANCIAL RESOURCES AND COMMITMENTS

As at 31 December 2024, the Group held cash and bank balances of approximately RMB2,229,188,000 (31 December 2023: RMB3,902,924,000); the Group's net assets amounted to RMB8,906,306,000 (31 December 2023: RMB8,435,414,000). The interest-bearing debt balance of the Group was RMB16,649,824,000 (31 December 2023: RMB16,692,318,000); the debt-to-assets ratio was 72.28% (31 December 2023: 72.99%).

Pledge of Assets

As of 31 December 2024, the buildings and equipment of the Group were pledged to secure borrowings balance of RMB8,617,064,000 (31 December 2023: RMB11,170,018,000).

Contingent Liability

As of 31 December 2024, the outstanding principal amount of debt guaranteed by the Group for its associates and joint ventures was RMB465,988,000. Save as mentioned above, the Group did not have any material contingent liabilities as at 31 December 2024.

Commitments

As of 31 December 2024, the Group had contracted but not yet incurred RMB2,680,010,000 (31 December 2023: RMB2,889,393,000) of capital expenditure.

VI. RISK FACTORS AND RISK MANAGEMENT

The Group's main business is investing in and operating wind and solar power plants. It faces key risks, including international political risk, foreign exchange risk, policy risk, market risk, climate risk, and curtailment risk, etc.

The Group assesses potential adverse factors and develops effective mitigation measures. We closely monitor international politics and exchange rates, promptly adjusting strategies to minimize risk. We keep a vigilant eye on industry policy dynamics and market changes, leveraging our flexibility to adjust business strategies according to time and location. This enables us to optimize assets effectively and maintain a competitive edge in the market. Prioritizing equipment management, we continuously enhance overall power plant profitability through retrofitting and upgrading equipment, as well as through refined and intelligent operation and maintenance practices. The Group will strategically diversify its global business footprint to mitigate the overall impact of fluctuations in wind and solar resources, electricity price volatility, and curtailment risks on its asset portfolio, ensuring its stable and sustainable development.

VII. OUTLOOK

Looking ahead to 2025, emerging loads such as artificial intelligence are likely to drive significant growth in power demand, creating development opportunities for the sustainable growth of renewable energy. As technological innovations in wind turbine, solar modules, advanced energy storage, and new power system continue to emerge, the trend of technological progress driving the global energy transition remains clear and consistent.

In capital markets, developed economies such as the United States and Europe have entered an interest rate easing cycle. The IMF forecasts a continued decline in global inflation throughout 2025. The People's Bank of China has stated it will implement a moderately accommodative monetary policy in 2025, with timely reductions of reserve requirement ratio and interest rate. This easing of the financing environment is expected to stimulate investment in renewable energy power plants.

The Group will steadfastly execute its established development strategy, keenly observe new industry landscape and market dynamics, focus on key markets, leverage our strengths, plan for steady growth, strengthen internal management, and prioritize the following key initiatives:

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Strengthen Safety and Refined Operations, Reinforce Equipment Management to Boost Efficiency

The Group will continue to improve safety management systems, strictly enforce power plant safety production, conduct thorough hazard inspections, take proactive measures against accidents and extreme weather, reinforce safety responsibilities, elevate safety awareness among all staff, and ensure stable and safe production.

The Group will prioritize equipment management for key projects and implement refined and intelligent operation & maintenance to enhance equipment reliability. We will analyze equipment data to develop targeted retrofit and upgrade plans aimed at improving efficiency, reducing failure frequency, shortening repair times, addressing critical issues, and further minimizing power generation losses to enhance power plant profitability.

(2) Significantly Strengthen Power Trading and Marketing Capabilities

The Group will closely track power market reforms, implement targeted measures to address new market-based power trading and contract-for-difference settlement mechanisms. We will significantly improve electricity marketing skills and refine incentive systems. We will build a strong power trading and marketing team, continuously enhance our capabilities in power trading and green certificate marketing, and implement various measures to improve the profitability of power plants.

(3) Flexibly Adjust Business Strategies, Concentrate on Developing High-Quality Projects

The Group will closely monitor policy and market changes, responsively adjust development strategies, selectively prioritize target markets. By timely updating project investment return assessments, we will refine our selection process, control the investment pace, increase project development success rates, and reduce development costs. We will strictly manage investment decisions, prioritize the certainty and risk resilience of project returns, and pursue steady progress.

In China, we will focus on key provinces with strong renewable energy potential, research new policies, explore new project development pathways, and continue to deepen our efforts in development.

We will streamline and prioritize key international development markets, adjust our business deployment in response to market and policy changes, focus on countries that fit our strategy, and continue greenfield development to improve project returns.

(4) Advance Construction towards Committed Target, Significantly Increase Newly Added Installed Capacity

Firmly committed to targets for project commissioning capacity and timeline milestones for 2025. The Group will continue to strengthen construction planning management, promptly address issues, and timely correct issues. We will also rigorously control construction costs, actively reduce cost through design and construction optimization, and strive to achieve the commissioning targets, ensuring a significant increase in the Group's newly added operational installed capacity.

Comprehensively review and address constraints on the commencement of new project construction, develop targeted solutions, and quickly resolve them by leveraging the Group's resources. Diligently share lessons learned, refine evaluations of new equipment and technologies, and adopt different bidding strategies based on project characteristics.

In 2025, the Group will focus on developing capabilities in international project construction management and international supply chain management, establish a comprehensive international construction management system and framework, diligently prepare for commencement of international projects to mitigate schedule, quality, and cost risks during construction.

(5) Further Reduce Financing Costs

As major international financial markets enter a period of interest rate reductions, China plans to implement a moderately accommodative monetary policy in 2025, with timely reductions in reserve requirement ratio and interest rates. The Group will strategically leverage the favorable market financing conditions, diversify financing channels, effectively lower overall financing costs, improve capital efficiency, and enhance the Group's overall returns.

(6) Analyze Market Changes, Continuously Optimize Assets

The Group will actively track and analyze market dynamics, promptly and diligently study the risks and challenges faced by each power plant in the marketization process, forecast the future profitability of each power plant, and design transaction plans that align with the Group's strategy and market needs. We will also expand our network of partners and trading channels and continuously optimize our asset portfolio. In addition, we will actively promote joint venture collaborations for key projects, recycle capital, and capitalize on more business opportunities by innovating partnership development models.

(7) Intensify Efforts in Refined and Professional Management, Further Cost Reduction and Efficiency Improvements

Recognizing the intensifying competition and its inherent challenges, the Group will prioritize enhancing the awareness of operational excellence and the sense of urgency. Conduct in-depth analyses of all costs and expenses, diligently identify areas of inefficiency, implement targeted cost reduction and efficiency improvement measures, and optimize organizational structure and positions in alignment with evolving business strategies.

The Group will implement a systematic performance management framework, continuously refining our organizational performance evaluation system, proactively developing and optimizing incentive mechanisms to ensure rigorous, performance-based assessments with commensurate rewards and penalties. Furthermore, we will diligently address the inefficiencies of Big Company Disease, deeply promote refined and professional management, integrate the principle of "Lowest LCOE" across all business activities, and comprehensively enhance the Group's overall operational excellence.

(8) Diligently Foster Corporate Culture, Strengthen Cohesion

Talent strategy is a key driver of the Group's business growth. As the Group expands and our workforce becomes increasingly geographically diverse, we will dedicate ourselves to fostering a strong corporate culture that builds consensus, transforms organizational units into cohesive entities, cultivates a team with a shared vision, and enhances employee cohesion and loyalty.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Liu Shunxing, aged 63, joined the Group in 2007. He has become the Chairman of the Company since June 2009, and is also a member of the Nomination Committee of the Company. Mr. Liu holds a Bachelor's degree in Power System Automation and a Master's degree in Industrial Management Engineering. Mr. Liu possesses extensive experience in comprehensive management of energy enterprises.

Ms. Liu Jianhong, aged 56, joined the Group in 2007. She has become the Vice Chairperson of the Company since January 2016, and is also the Chairperson of the Environmental, Social and Governance Committee and a member of the Remuneration Committee of the Company. Ms. Liu holds a Bachelor's and Master's degree in laws and an Executive Master's degree in Business Administration. Ms. Liu has rich experience in human resources, compliance, and risk management.

Mr. Gui Kai, aged 66, joined the Group in 2015. He has become the Chief Executive Officer ("**the CEO**") of the Company since August 2020, and is also a member of the Environmental, Social and Governance Committee of the Company. Mr. Gui holds a Bachelor's degree in Mine Construction Engineering and a Master's degree in Mineral Exploration. Mr. Gui has nearly 40 years of management experience in energy enterprise development, engineering and production.

Mr. Niu Wenhui, aged 54, joined the Group in 2010. He is the Chief Financial Officer of the Company and has become an Executive director of the Company since January 2017. Mr. Niu holds a Bachelor's degree in Financial Accounting and a Master's degree in Business Administration. Mr. Niu has over 20 years of experience in financial management of group enterprises.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS *(CONTINUED)*

Mr. Zhai Feng, aged 58, joined the Group in 2019. He has become an Executive director of the Company since January 2020. Mr. Zhai holds a Bachelor's degree in law and a an Executive Master's degree in Business Administration. Mr. Zhai has over 30 years of experience in law, finance, and capital management.

Ms. Shang Jia, aged 61, joined the Group in 2011. She has become an Executive director of the Company since April 2021. Ms. Shang holds a Bachelor's degree in Industrial Economic and Management. Ms. Shang has over 30 years of experience in power development and production management.

Mr. Chan Kam Kwan, Jason, aged 51, joined the Group in 2006. He is the Company Secretary of the company and has become an Executive director of the Company since April 2024. Mr. Chan holds a Bachelor's degree in Business and a Certified Public Accountant (CPA) certificate issued by the Washington State Board of Accountancy. Mr. Chan has extensive experience in corporate finance.

NON-EXECUTIVE DIRECTOR

Mr. Wang Feng, aged 55, has been a Non-executive director of the Company since February 2019. Mr. Wang holds a Bachelor's degree in Power System Automation and a Master's degree in Power Engineering. Mr. Wang has 30 years of experience in energy industry and management.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Huang Jian, aged 56, has been an Independent non-executive director of the Company since December 2012, and is also the Chairperson of the Audit Committee and a member of the Nomination Committee of the Company. Ms. Huang holds a Bachelor's and Master's degree in Financial Accounting. She is also a Chinese Certified Public Accountant. Ms. Huang has over 40 years of financial and audit experience.

Mr. Jesse Zhixi Fang, aged 78, has been an Independent non-executive director of the Company since January 2018, and is also a member of the Remuneration Committee and the Environmental, Social and Governance Committee of the Company. Mr. Fang holds a Bachelor's degree in Mathematics, Master's and a Doctorate degree in Computing. Mr. Fang has nearly 30 years of management experience in the semiconductor research and industry management.

Mr. Zhang Zhong, aged 56, has been an Independent non-executive director of the Company since June 2018, and is also the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. Zhang holds a Bachelor's and Master's degree in Law. Mr. Zhang has over 30 years of legal and risk control experience.

Ms. Li Yongli, aged 61, has been an Independent non-executive director of the Company since May 2022, and is also a member of the Audit Committee and the Nomination Committee of the Company. Ms. Li holds a Bachelor's and Master's degree in Electric Power System Automation and PhD degree in electrical engineering. Ms. Li has 40 years of experience in the field of electricity research.

Mr. Chua Pin, aged 59, has been Independent non-executive director of the Company since October 2024, and is also a member of the Environmental, Social and Governance Committee of the Company. Mr. Chua holds a Bachelor's degree in Business Administration. Mr. Chua has over 30 years of experience in the financial industry.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Chen Shengjun, 51 years old, joined the Group in 2022 and serves as the Chief Technology Officer and Vice President of the Company. Mr. Chen holds a Bachelor's degree in Precision Instruments and a Master's degree in Industrial Engineering. Mr. Chen has rich technical capabilities and managerial experience.

Mr. Wang Xigang, 45 years old, joined the Group in 2009 and serves as Vice President of the Company. Mr. Wang holds a Bachelor's degree in Economics and a Master's degree in Business Administration. Mr. Wang has over a decade of experience in company management.

Mr. Zhou Xiaole, 44 years old, joined the Group in 2007 and serves as Vice President of the Company. Mr. Zhou holds a Bachelor's degree in Electronic Information and Business Administration and a Master's degree in Corporate Media. Mr. Zhou has more than fifteen years of experience in project development and management.

Mr. Mike Luo, 40 years old, joined the Group in 2010 and serves as Vice President of the Company. Mr. Luo holds a Bachelor's degree in Economics. Mr. Luo has over ten years of experience in managing new energy projects of full lifecircle.

Mr. Gui Bo, 47 years old, joined the Group in 2018 and serves as Vice President of the Company. Mr. Gui holds a Bachelor's degree in Mechanical Design and Manufacturing and a Master's degree in Solid Mechanics. Mr. Gui possesses extensive experience in new energy engineering management.

REPORT OF THE DIRECTORS

The directors of the Company (the "**Directors**") submit their report together with the audited consolidated financial statements for the year ended 31 December 2024 (the "**Year**").

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are set out in Note 53 to the consolidated financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 4 to 18 of this annual report. This discussion forms part of this report of the Directors. An analysis of the Group's income and contribution to operating profit for the Year is set out in Notes 6 and 7 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 59. The interim and final dividends for the Year are set out in Note 17 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Company during the Year are set out on pages 65 and 201 and in Note 52 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group and of the Company are set out in Note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 41 to the consolidated financial statements.

REPORT OF THE DIRECTORS

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, the Company repurchased a total of 138,480,000 ordinary shares of the Company for an aggregate consideration of HK$74,495,000on The Stock Exchange of Hong Kong Limited. The repurchased shares were subsequently cancelled by the Company and the issued share capital of the Company was reduced thereon. Details of the share repurchases during the Year are as follows:

Share Repurchased		Purchase Price per Share		
Month	**Number**	**Highest**	**Lowest**	**Aggregate Amount**
		HK$	*HK$*	*HK$*
April 2024	14,830,000	0.64	0.60	9,044,000
May 2024	1,110,000	0.60	0.60	666,000
August 2024	13,130,000	0.55	0.53	7,059,800
September 2024	45,100,000	0.54	0.51	23,694,100
October 2024	22,350,000	0.55	0.53	11,928,700
November 2024	36,510,000	0.54	0.52	19,268,400
December 2024	5,450,000	0.52	0.52	2,834,000
	138,480,000			**74,495,000**

Save as disclosed above, neither the Group, nor any of its subsidiaries purchased, sold or redeemed any of the Groups listed securities (including sale of treasury shares) during the Year under review. The Company did not hold any treasury shares during the Year.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31 December 2024 are set out on Note 52 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws and there is no restriction against such rights under the laws of the Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, and of the assets, liabilities and equities of the Group for the last five financial years is set out on page 204.

DIVIDEND

The board of Directors recommends to declare a final dividend of HK$0.035 per ordinary share in respect of the year ended 31 December 2024 (2023: HK$0.035), subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. Based on the number of issued ordinary shares as of the date of approving these consolidated financial statements, the proposed final dividend amounted to approximately HK$279,371,000. These consolidated financial statements do not reflect this amount as dividend payable as at 31 December 2024. It is expected that the final dividend will be paid around the end of June 2025. Further announcement will be made by the Company for the date of closure of register of members.

SHARE AWARD SCHEME

The Board has adopted a Scheme on 15 June 2015, which was amended on 29 June 2017. The Company shall comply with the new Chapter 17 of the Listing Rules that became effective on 1 January 2023 when granting the Awarded Shares.

Purpose

The purpose of the Scheme is to (i) recognize the contributions of the Employees; (ii) provide additional incentives in order to retain the Employees to continue to work for the Group; and (iii) attract suitable personnel for further development of the Group.

Duration

Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date, i.e. the Scheme will expire on 15 June 2025.

Administration

The Scheme shall be subject to the administration of the Board (or a committee from time to time authorized by the Board to manage the Scheme) and the Trustee in accordance with the rules of the Scheme and the Trust Deed. The Board may, from time to time, at its sole discretion determine the number of Awarded Shares to be awarded to the Selected Employees. The Board is entitled to impose any vesting conditions, as it deems appropriate in its absolute discretion with respect to the entitlement of the Selected Employees to the Awarded Shares. Any grant of the Awarded Shares to the connected persons (as defined in the Listing Rules) of the Company must be approved by the independent non-executive Directors (other than the independent non-executive Director who is the Selected Employee). The Board shall not instruct the Trustee to deal in any shares in the market during the period when any Director is in possession of unpublished inside information in relation to the Company or when the dealings in the Company's securities by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws.

REPORT OF THE DIRECTORS

SHARE AWARD SCHEME *(CONTINUED)*

Scheme Limit

The Board shall not make any further award which will result in the nominal value of Shares awarded by the Board under the Scheme exceeding five (5) per cent of the issued share capital of the Company as at the Adoption Date (the "**Scheme Limit**").

The maximum number of Shares which may be awarded to a Selected Employee under the Scheme shall not exceed one (1) per cent of the issued share capital of the Company as at the Adoption Date (the "**Individual Limit**").

The total number of Awarded Shares available for grant was 150,511,748 as at 1 January 2024, and the total number of Awarded Shares available for grant was 148,161,748 as at 31 December 2024.

The number of Awarded Shares in respect of awards granted under the Scheme (excluding treasury shares) during the Year divided by the weighted average number of shares in issue for the Year is approximately 0.04%.

The number of Awarded Shares available for issue under the Scheme are 165,411,748, which representing approximately 2.07% of the issued Shares (excluding treasury shares) as at the date of this report.

Operation of the Scheme

The Board or a committee authorized by the Board to manage the Scheme shall (i) issued as new Shares by the Company to the Trustee held on trust for the Selected Person or (ii) purchased by the Trustee on the market, in either case out of cash paid by the Company by way of settlement to the Trustee pursuant to the terms of the Scheme. The Company shall pay the Trustee sufficient funds for any purchase including the cost of the Awarded Shares and the relevant expenses. The number of unvested Shares held by the Trustee of the Scheme were 17,250,000 as at 31 December 2024.

The Board or a committee authorized by the Board to manage the Scheme shall inform the Trustee the names of the Selected Employees, the number of shares awarded to them, the vesting date, the vesting conditions (if any) and other relevant information under the Scheme and the Trust Deed. Within 20 business days (on which the trading of Shares has not been suspended) after the Trustee receives the cash for the acquirement of new Shares or the purchase of the Awarded Shares, the Trustee shall apply the same towards the purchase of the Awarded Shares at the prevailing market price at its discretion. The Awarded Shares so purchased will be kept by the Trustee until the relevant vesting conditions are met and until then the Awarded Shares will be transferred to the Selected Employees accordingly.

SHARE AWARD SCHEME *(CONTINUED)*

Vesting and Lapse

Subject to the terms and conditions of the Scheme and the fulfillment of all vesting conditions determined by the Board, the relevant Awarded Shares and Related Income held by the Trustee on behalf of any Selected Employee shall vest in such Selected Employee on the vesting date and the Trustee shall cause the awarded shares and related income to be transferred to such selected employee.

In the event that prior to the Vesting Date the Selected Employee ceases to be an Employee, any unvested Awarded Shares and Related Income that the Selected Employee is entitled to shall lapse in accordance with the terms of the Scheme, unless the Board determines otherwise.

Where any Awarded Share does not vest in accordance with the relevant provision and becomes Returned Share, the Board may grant Award(s) of such Returned Shares to other Selected Employees subject to such conditions or limitations as the Board may decide.

Notwithstanding any other provisions provided in the Scheme, if there occurs an event of change of control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, unless the Board determines otherwise, all the unvested Awarded Shares shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed to be the Vesting Date.

Rights

The Selected Employees shall not have any interest or rights (including the right to vote or receive dividends) in any Awarded Shares or in the Related Income unless and until the Trustee has vested the ownership of such Awarded Shares in the Selected Employees.

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust.

Termination

The Scheme shall terminate on the earlier of the 10th anniversary date of the Adoption Date or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of the Selected Employees.

REPORT OF THE DIRECTORS

SHARE AWARD SCHEME *(CONTINUED)*

Termination *(CONTINUED)*

Details of the movements in the number of Awarded Shares during the Year are as follows:

Number of category of participant	Date of grant of Awarded Shares	Number of Awarded Shares unvested as at 1 January 2024	Reclassification during the Year[3]	Number of Awarded Shares granted during the Year	Number of Awarded Shares vested during the Year[8, 9]	Number of Awarded Shares cancelled during the Year	Number of Awarded Shares lapsed during the Year	Number of Awarded Shares unvested as at 31 December 2024
Executive Directors								
Liu Shunxing *(Chairman)*	18 October 2021[1, 2]	4,000,000	—	—	2,000,000	—	—	2,000,000
Liu Jianhong *(Vice Chairperson)*	18 October 2021[1, 2]	3,000,000	—	—	1,500,000	—	—	1,500,000
Gui Kai *(CEO)*	15 October 2021[1, 2]	2,000,000	—	—	1,000,000	—	—	1,000,000
Niu Wenhui	15 October 2021[1, 2]	2,000,000	—	—	1,000,000	—	—	1,000,000
Zhai Feng	15 October 2021[1, 2]	2,000,000	—	—	1,000,000	—	—	1,000,000
Shang Jia	15 October 2021[1, 2]	2,000,000	—	—	1,000,000	—	—	1,000,000
Chan Kam Kwan, Jason[3]	15 October 2021[1, 2]	—	250,000	—	—	—	—	250,000
Independent non-executive Directors								
Huang Jian	15 October 2021[1, 2]	500,000	—	—	250,000	—	—	250,000
Jesse Zhixi Fang	15 October 2021[1, 2]	500,000	—	—	250,000	—	—	250,000
Zhang Zhong	15 October 2021[1, 2]	500,000	—	—	250,000	—	—	250,000
Subtotal		**16,500,000**	**250,000**	**—**	**8,250,000**	**—**	**—**	**8,500,000**
The five highest paid individual[10]	15 March 2024[2, 4]	—	—	1,000,000[5, 6, 7]	1,000,000[4]	—	—	—
Other employees	15 October 2021[1, 2]	19,300,000	(250,000)	—	9,650,000	—	650,000	8,750,000
	15 March 2024[2, 4]	—	—	2,000,000[5, 6, 7]	2,000,000[4]	—	—	—
Subtotal		**19,300,000**	**(250,000)**	**3,000,000**	**12,650,000**	**—**	**650,000**	**8,750,000**
Total		**35,800,000**	**—**	**3,000,000**	**20,900,000**	**—**	**650,000**	**17,250,000**

SHARE AWARD SCHEME *(CONTINUED)*

Termination *(CONTINUED)*

Notes:

1. **Vesting period**

	Percentage of the Awarded Shares to be vested
15 February 2022	25%
15 February 2023	25%
15 February 2024	25%
15 February 2025	25%

2. The grant price was nil.

3. On 26 April 2024, Mr. Chan Kam Kwan, Jason was appointed as an executive Director.

4. The fair value of the Awarded Shares at the date of grant was HK$0.66 per Share.

5. The fair value of the Awarded Shares was determined based on the published closing price of the Shares at the date of grant. The Group has adopted the accounting standard in accordance with HKFRS 2 — Share-based Payment and for the details of accounting policy applied, please refer to Note 42 to the consolidated financial statements in the 2024 annual report of the Company.

6. The vesting period of the Awarded Shares granted is one month from the date of grant and the Awarded Shares were vested on 15 April 2024. The Awarded Shares granted during the Period were made without any performance targets. The remuneration committee of the Company has approved the Awarded Shares.

7. The closing price of the Shares immediately before the date on which the Awarded Shares were granted on 15 March 2024 was HK$0.66 per Share.

8. The weighted average closing price of the Shares immediately before the dates on which the Awarded Shares were vested was approximately HK$0.640 per Share for the Directors.

9. The weighted average closing price of the Shares immediately before the dates on which the Awarded Shares were vested was approximately HK$0.635 per Share for the other employees.

10. One of the five highest paid of the senior managements.

REPORT OF THE DIRECTORS

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Directors

Mr. Liu Shunxing
Ms. Liu Jianhong
Mr. Gui Kai
Mr. Niu Wenhui
Mr. Zhai Feng
Ms. Shang Jia
Mr. Chan Kam Kwan, Jason *(appointed on 26 April 2024)*

Non-executive Director

Mr. Wang Feng

Independent Non-executive Directors

Ms. Huang Jian
Mr. Jesse Zhixi Fang
Mr. Zhang Zhong
Ms. Li Yongli
Mr. Chua Pin *(appointed on 25 October 2024)*

According to bye-law 99 of the Company's Bye-laws, Ms. Liu Jianhong, Mr. Niu Wenhui, Mr. Wang Feng and Ms. Li Yongli shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. According to bye-law 101(B) of the Company's Bye-laws, Mr. Chua Pin shall retire and, being eligible offers himself for re-election at the forthcoming annual general meeting.

All the non-executive Directors have been appointed for a specific term and will be subject to retirement by rotation and re-election at the annual general meeting of the Company.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independent in accordance to Rule 3.13 of the Listing Rules during the Year and the Company considered that they are independent.

The biographical details of the Directors and senior management of the Group are set out on pages 19 to 22 of this report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company which requires the Company to give a period of notice of more than one year, or to pay compensation or make other payments equivalent to more than one year's emolument.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of its fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors nor their respective associates had an interest in a business, apart from the businesses of the Group, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules during the Year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2024, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), or known to the Company, were as follows:

(i) Long positions in the shares of the Company (the "Shares"):

Approximate percentage of the total issued share capital					
Name of the Directors	Personal	Family	Corporate	Total	Approximate percentage of the total issued share capital
Liu Shunxing	37,500,000	–	1,754,714,242[1]	1,792,214,242[1]	22.45%
Liu Jianhong	29,710,000	–	150,000,000[2]	179,710,000[2]	2.25%
Gui Kai	15,600,000	–	–	15,600,000	0.20%
Niu Wenhui	16,000,000	–	–	16,000,000	0.20%
Zhai Feng	4,000,000	–	–	4,000,000	0.05%
Shang Jia	8,000,000	–	–	8,000,000	0.10%
Chan Kam Kwan, Jason[3]	3,800,000	–	–	3,800,000	0.05%
Huang Jian	2,800,000	–	–	2,800,000	0.04%
Jesse Zhixi Fang	2,800,000	–	–	2,800,000	0.04%
Zhang Zhong	2,800,000	–	–	2,800,000	0.04%

Notes:

1. 1,002,877,155 Shares are held by China Wind Power Investment Limited ("**CWPI**") and 751,837,087 Shares are held by Splendor Power Limited. CWPI is wholly-owned by CNE Group Limited (formerly know as Permanent Growth Limited). Mr. Liu Shunxing held as to 46.77% of the issued shares of CNE Group Limited and held as to 99% of the issued shares of Splendor Power Limited. Mr. Liu Shunxing beneficially holds 37,500,000 Shares.

2. 150,000,000 Shares are held by a discretionary trust for which Ms. Liu Jianhong is the founder and settlor and Ms. Liu Jianhong beneficially holds 29,710,000 Shares.

3. On 26 April 2024, Mr. Chan Kam Kwan, Jason was appointed as an Executive Director.

(ii) Long positions in the underlying Shares:

Save as disclosed above, as at 31 December 2024, none of the directors and chief executives of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code adopted by the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying shares and Debentures of the Company or any Associated Corporation" above, at no time during the Year was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the directors (including their respective spouse and children under the age of 18) to acquire benefits by the means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, save as disclosed under the section "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying shares and Debentures of the Company or any Associated Corporation" above, the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital under Section 336 of the SFO.

(i) Long positions in the Shares:

Name of shareholder	Number of the Shares held	Approximate percentage of the total issued share capital *(%)*
CWPI	1,002,877,155[1]	12.56%
Huadian New Energy	880,000,000	11.02%
Splendor Power Limited	751,837,087[2]	9.42%

Notes:

1. The Shares are held by CWPI, which is wholly owned by CNE Group Limited. Mr. Liu Shunxing held as to 46.77% of the issued shares of CNE Group Limited.

2. The Shares are held by Splendor Power Limited. Mr. Liu Shunxing held as to 99% of the issued shares of Splendor Power Limited.

Save as disclosed above, as at 31 December 2024, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Section 336 of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

REPORT OF THE DIRECTORS

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

A summary of all related party transactions entered into by the Group during the Year is set out in Note 47 to the consolidated financial statements. Pursuant to Chapter 14A of the Listing Rules, the Group has the following connected transactions during the Year. Unless the context otherwise requires, terms defined in the announcement of the Company dated 27 October 2023, 17 June 2024 and 26 August 2024 (the "**Announcements**") shall have the same meaning when used in this Paragraph headed "Connected Transactions and Continuing Connected Transactions".

Before the Disposal as announced on 27 October 2023, Beijing Century Concord Operation and Maintenance Co., Ltd. ("**Century Concord O&M**") was a non wholly-owned subsidiary of the Company, and Mr. Lu was a director of Century Concord O&M. As Mr. Lu was a director of the said former subsidiary of the Company in the past 12 months, he is thus a connected person of the Company at the subsidiary level. Currently, Century Concord O&M is owned as to 46.75% by Xuzhou Dingyu, which is ultimately 100%-owned by the Century Concord O&M Management Shareholders through limited partnership structure, the general partner of which is Beijing Fangyuan. As Mr. Lu owns a 99% interest in Beijing Fangyuan, Mr. Lu controls and indirectly owns 46.75% interest of Century Concord O&M thereof. Accordingly, Century Concord O&M is an associate of Mr. Lu and, thus, a connected person of the Company at the subsidiary level.

Prior to the completion of the Disposal, (i) the Group Power Companies (which are subsidiaries of the Company) had entered into the service agreement ("**Service Agreement**") with the subsidiaries of Century Concord O&M ("**Target Subsidiaries**"); (ii) the Group had provided the financial assistance ("**Financial Assistance**") to Century Concord O&M and two Target Subsidiaries; and (iii) Century Concord Wind Power (one of the subsidiary of the Group) had provided the guarantees ("**Guarantees**") in relation to the loan agreements ("**Loan Agreements**") and the third party service agreement ("**Third Party Service Agreement**"), and Century Concord O&M had, in return, provided the counter-guarantee ("**Counter-Guarantee**") to Century Concord Wind Power.

Upon completion of the statutory registration of the Disposal on 6 December 2023, the transactions under the Service Agreements, the Financial Assistance, the Guarantees and the Counter-Guarantee constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, since 7 December 2024, Mr. Lu was no longer a connected person of the Company at the subsidiary level, and transactions between the Group and Century Concord O&M under the Service Agreements, the Financial Assistance, the Guarantees and the Counter-Guarantee were no longer connected transactions.

(i) Service Agreements

All the power plants of the Group Power Companies (which are subsidiaries of the Company) were managed by the Target Subsidiaries under the Service Agreements. During the Year, the Group Power Companies of the one part as the clients for the service and each of the relevant Target Subsidiaries of the other part as the providers of the services entered into the Service Agreements for the provision of certain operation and maintenance services and technical services to the Group Power Companies (the "**Services**"), comprising operation and maintenance, data alerts, data analysis, software development and technical services. The main services provided under the Service Agreements were equipment and facility management and maintenance, fault repair, data analysis and early warning services, centralized monitoring, smart energy monitoring and analysis, and software technology development and services.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(CONTINUED)*

(i) Service Agreements *(CONTINUED)*

The service fee payable under each Service Agreement was a fixed fee (plus a discretionary bonus to be determined by the relevant Group Power Company based on the performance of the relevant Target Subsidiary, which was expected to be not more than 10% of the said fixed fee), and was payable monthly. During the Year, the total service fee for operation and maintenance services and technical services that the Group Power Companies purchased from Century Concord O&M was amounting to approximately RMB99.04 million.

(ii) Financial Assistance

During the Year, the Group has provided financial assistance amounted to RMB90.76 million to Century Concord O&M and its five subsidiaries, of which:

(i) RMB60 million was the financial assistance provided by Century Concord Wind Power to two Target Subsidiaries, which was unsecured loans to two Target Subsidiaries as to a RMB20 million loan and a RMB40 million loan both with an interest rate of 10% above the over-5-year LPR accrued quarterly in arrears, of which the unsecured loan of RMB40 million was repaid by 31 December 2024; as for the unsecured loan of RMB20 million, the repayment of which was extended for one year to 31 December 2025 under a supplemental agreement dated 31 December 2024 and it was no longer a connected transaction; and

(ii) Approximately RMB30.76 million was the financial assistance provided by Tianjin Green Energy International Leasing Co., Ltd.* (天津國銀新源國際租賃有限公司) ("**Tianjin Green Energy**" as Purchaser and Lessor), a wholly-owned subsidiary of the Company, to Century Concord O&M as Seller and Lessee by way of a finance lease arrangement. The finance lease period commenced on 28 November 2022 and will expire on 28 November 2027, and the applicable interest rate of the finance lease is 1-year LPR plus 1.65% per annum adjustable annually on 1 January based on the 1-year LPR announced in the previous December. After the expiry of the said finance period, Century Concord O&M has the option to buy back the Leased Equipment at RMB100.

(iii) The Financial Guarantees and the Counter-Guarantee

As set out in the Announcements, certain guarantees had been provided by Century Concord Wind Power in favour of certain Banks in respect of certain bank loans provided by such Banks to Century Concord O&M to secure its due repayment of the said bank loans to such Banks. As at 31 December 2024, Century Concord Wind Power has provided Financial Guarantees to the Banks to secure Century Concord O&M's due repayment of a total outstanding indebtedness of approximately RMB198.85 million owed to the Banks under the Loan Agreements.

Century Concord Wind Power entered into a Counter-Guarantee with Century Concord O&M, pursuant to which Century Concord O&M shall provide a pledge of its accounts receivables from its existing and future Service Agreements with the Group Power Companies in favour of Century Concord Wind Power for compensation liabilities under the Financial Guarantees.

REPORT OF THE DIRECTORS

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(CONTINUED)*

(iv) Performance Guarantee

During the Year, Century Concord O&M has entered into the Third Party Service Agreement for the provision of the Services to the Third Party Power Company. Under the Third Party Service Agreement, the power plants of the Third Party Power Company operated and maintained by Century Concord O&M (on its behalf) shall achieve a specified annual power generation capacity (the "**Agreed Capacity**"), failing which Century Concord Wind Power shall be liable to the Third Party Power Company under the Performance Guarantee to pay to the Third Party Power Company a penalty representing the shortfall in the power generation capacity multiplied by the agreed price of each unit of power generated. The period of the Performance Guarantee commenced from the commissioning date of the power plant to 2044, and the maximum penalty estimated by the Company was RMB5 million.

The Third Party Power Company and Century Concord O&M have reached a consensus that Century Concord Wind Power shall have the right to designate its subsidiary as the new service provider for the Third Party Power Company in substitution of the Century Concord O&M if Century Concord Wind Power reasonably considers that the Agreed Capacity cannot be fulfilled in any given year. Furthermore, Century Concord O&M has provided the Counter-Guarantee to Century Concord Wind Power to compensate any loss of Century Concord Wind Power under the Performance Guarantee as mentioned above.

Please refer to the Announcements for more details.

The above continuing connected transactions have been reviewed by the independent non-executive Directors who had confirmed that the aforesaid continuing connected transactions were entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms and on terms in accordance with the framework agreements of the relevant transactions; and

(iii) in accordance with the applicable agreements or the framework agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 (Revised) *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing its findings and conclusions in respect of the continuing connected transactions.

CHANGE OF DIRECTORS' INFORMATION

The changes of directors' information as required to be disclosed pursuant Rule 13.51B of the Listing Rules are set out below:

1. Mr. Chan Kam Kwan, Jason was appointed as an executive director of the Company on 26 April 2024. Mr. Chan has obtained the legal advice for his appointment and he has confirmed and understood his obligations as an executive director of the Company on 26 April 2024.

2. Mr. Chua Pin was appointed as an Independent non-executive Director of the Company and a member of the Social, Environmental and Governance Committee of the Company on 25 October 2024. Mr. Chua has obtained the legal advice for his appointment and he has confirmed and understood his obligations as an independent non-executive director of the Company on 24 October 2024.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws of the Company, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company against all losses and liabilities & etc. which they may incur or sustain by reason about the execution of their duties, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors. The Company has also arranged appropriate Directors' and liability insurance coverage for the Directors and officers of the Group.

MAJOR SUPPLIERS AND MAJOR CUSTOMERS

During the Year, sales to the Group's largest 5 customers accounted for 61.89% of the total sales for the Year, and the largest customer included there in amounted to14.15%.

Purchases from the Group's 5 largest suppliers accounted for 73.73% of the total purchases for the Year, and the largest supplier included therein amounted to 20.72%.

None of the Directors, their associates or any shareholders, which to the knowledge of the Directors own more than 5% of the Company's share capital (excluding treasury shares), had interests in the major suppliers or customers noted above.

REPORT OF THE DIRECTORS

EMOLUMENT POLICY

The Group's emolument policy for its employees is set up and approved by the Remuneration Committee and the Board on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee and the Board, as authorised by the shareholders at the annual general meeting, having regarded to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share award scheme as an incentive to Directors and eligible employees, details of the share award scheme are set out in the Report of the Directors on pages 25 to 29 of the annual report.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 39 to 52 of the annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there was sufficient of public float of the Company's securities as required under the Listing Rules.

AUDITOR

The consolidated financial statements have been audited by KPMG who retire and, being eligible, offer themselves for reappointment at the forthcoming annual general meeting of the Company.

On behalf of the Board
Liu Shunxing
Chairman

Hong Kong, 27 February 2025

CORPORATE GOVERNANCE REPORT

The board of Directors of the Company (the "**Board**") is committed to achieving a high standard of corporate governance.

Throughout the year ended 31 December 2024, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions in the Corporate Governance Code ("**the Code**") set out in the Appendix C1 to the Listing Rules on the Stock Exchange.

FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2024.

The Company has also established and adopted internal guidelines for securities transactions by relevant employees (the "**Employees Guidelines**") which are on no less exacting terms than the Model Code. Specified employees who are likely to be in possession of unpublished inside information related to the Company and its securities must comply with the Employees Guidelines.

DIVIDEND POLICY

The dividend policy adopted by the Company in 2019 is intended to be prudent and sustainable, and will be evaluated from time to time. There is no assurance that dividends will be paid in any particular amount for any particular period. Subject to compliance with applicable rules and regulations, the Board may, at its discretion, determine the declaration of payment of dividend(s) to its shareholders in any amount, frequency in any financial year depending on, among other things, the Company's operation and financial performance, liquidity condition, capital requirements, future funding needs, contractual restrictions, availability of reserves and prevailing economic climate.

THE BOARD

As of 31 December 2024, the Board of Directors consisted of 13 directors, including 7 Executive Directors, 1 Non-Executive Director, and 5 Independent Non-Executive Directors. Mr. Chan Kam Kwan, Jason was appointed as an Executive Director on 26 April 2024, and Mr. Chua Pin was appointed as an Independent Non-Executive Director and a member of the Social, Environmental and Governance Committee on 25 October 2024.

The major shareholder of the Company, CWPI holds 1,002,877,155 shares of the Company. CWPI is held indirectly by, amongst others, two executive Directors namely, Mr. Liu Shunxing and Ms. Liu Jianhong.

Save as disclosed above, there are no financial, business, family or other material/relevant relationships between the Board members.

CORPORATE GOVERNANCE REPORT

THE BOARD *(CONTINUED)*

For a Director to be considered independent, that director should not have any direct or indirect material interest in the Group. In determining the independence of Directors, the Board follows the requirement set out in the Listing Rules. Each of the independent non-executive Directors has made an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules.

All the non-executive Directors (including the independent non- executive Directors ("**INEDs**")) are appointed for a specific term and will be subject to retirement by rotation and re-election at the annual general meeting of the Company.

The Chairman is responsible for providing leadership to, and overseeing, the functioning of the Board to ensure that the Board acts in the best interest for the Group. The Chairman is responsible for approving the agenda for each Board meeting, after taking into account the matters proposed by other Directors. With the support of the executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. The Chairman also actively encourages all Directors to be fully engaged in the Board's affairs and make contributions to the Board's functions. The Board has adopted good corporate governance practices and procedures and has taken appropriate steps to provide effective communication with shareholders.

The CEO is responsible for managing the business of the Group, attending to the formulation and implementation of group policies, and assuming full accountability for the Group's operations. Acting as the principal manager of the Group's business, the CEO develops a strategic operating plan that reflects the long-term objectives and priorities established by the Board, and is directly responsible for maintaining the operational performance of the Group. Working with the senior management and the Board, the CEO ensures that the funding requirements of the business are met and closely monitors the operating and financial results against the plans and budgets. He also takes remedial actions when necessary and advises the Board of any significant developments and issues of the Group.

Ongoing dialogues are maintained with all Directors to keep them fully informed of all major business developments and issues.

THE BOARD *(CONTINUED)*

The Board meets regularly, and at least 4 times a year. Between meetings, senior management of the Group provides to Directors the information on the activities and developments in the business of the Group on a timely basis and when required, additional Board meetings are held. In addition, Directors have full access to the information of the Group and the independent professional advice whenever deemed necessary by the Directors. During the year ended 31 December 2024, a total of 19 board meetings and 1 general meeting were held and the attendance of each Director is set out below:

Number of meetings attended in the year ended 31 December 2024/ Number of meeting eligible to attend and training in 2024				
	Name of Directors	**Board meetings**	**2024 AGM[3]**	**Training**
Chairman	Liu Shunxing	19/19	1/1	✓
Vice Chairperson	Liu Jianhong	19/19	1/1	✓
CEO	Gui Kai	19/19	1/1	✓
Executive Directors	Niu Wenhui	19/19	1/1	✓
	Zhai Feng	19/19	1/1	✓
	Shang Jia	19/19	1/1	✓
	Chan Kam Kwan, Jason[1]	13/13	1/1	✓
Non-executive Director	Wang Feng	19/19	1/1	✓
Independent Non-executive Directors	Huang Jian	19/19	1/1	✓
	Jesse Zhixi Fang	19/19	1/1	✓
	Zhang Zhong	19/19	1/1	✓
	Li Yongli	19/19	1/1	✓
	Chua Pin[2]	5/5	0/0	✓

Note:

1. Mr. Chan Kam Kwan, Jason was appointed as an Executive Director on 26 April 2024.

2. Mr. Chua Pin was appointed as an Independent Non-Executive Director on 25 October 2024.

3. The 2024 Annual General Meeting was held on 7 June 2024.

Professional training for Directors

All Directors, including independent non-executive Directors, should always know their collective responsibilities as Directors and of the businesses and activities of the Group. Each newly appointed Director would receive an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills, and updates all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices.

During the year ended 31 December 2024, all existing Directors have received relevant trainings by reading relevant materials on the topics relating to corporate governance and regulations and have provided their training records, which is set out on page 41 of this report.

BOARD COMMITTEES

During the year ended 31 December 2024, the Board has reviewed and monitored the training and continuous professional development of directors and senior management. The Board has also reviewed and ensured compliance of the relevant legal and regulatory requirements. Besides, the Company has set up four committees including the Nomination Committee, the Remuneration Committee, the Audit Committee and Environmental, Social and Governance Committee ("**ESG Committee**"). Each committee has its specific terms of reference with reference to the Code:

Board Independence

The Board always maintains its independence. As at 31 December 2024, one was non-executive Director and five out of thirteen Directors were independent non-executive Directors.

Board independence is regularly and consistently reviewed and maintained, including through:

- Strict compliance with our code of conduct, which aims to avoid conflicts of interest;
- Separate discussions amongst independent non-executive Directors and Chairman, without the presence of other executive Directors to provide independent views and input;
- Full disclosure in annual reports of cross-directorships or other business relationships that may interfere with Director's independence;
- Independent professional advice, as and when required by individual Directors; and
- Review by Nomination Committee of potential conflicts of interest and recommendation appropriate actions to take.

The Nominations Committee will review the implementation of the Nomination Policy at least annually, including the mechanisms for ensuring independent views and input are available to the Board, and make recommendations on any proposed changes to the Board for the Board's review and approval to ensure its effectiveness.

As at the date of this Report, the Board, through the Nominations Committee, has reviewed the implementation and effectiveness of the abovementioned mechanisms to ensure that independent views and input are available to the Board.

During the Year, the Nomination Committee carried out a detailed review of the Directors' independence and was satisfied that each of the five independent non-executive Directors was independent at the time of review.

BOARD COMMITTEES *(CONTINUED)*

Remuneration Committee

The Remuneration Committee comprises three members. The Remuneration Committee is chaired by Mr. Zhang Zhong with Ms. Liu Jianhong and Dr. Jesse Zhixi Fang being the members. The Remuneration Committee meets for the determination of the remuneration packages of Directors and senior management of the Group. In addition, the Remuneration Committee also meets as and when required to consider remuneration related matters such as making recommendations to the Board on the Group's policy and structure for the remuneration of Directors and senior management, review and approve matters relating to share schemes.

Under its term of reference, the Remuneration Committee assists the Board in achieving its objective of attracting, retaining and motivating people of the highest caliber and experience needed to shape and execute strategies across the Group's operations. The Committee also assists the Group in the administration of the fair and transparent procedure for setting policies on the remuneration of Directors and senior management of the Group. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

Total remuneration of senior management other than Directors for the year ended 31 December 2024 is as follow:

Total Remuneration Bands	Number of Executive
RMB2,000,000 to RMB4,000,000	6

The Company's objective of its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration including but not limit to, fees and salaries paid, and award shares and share options granted to members of the Board of Directors and the senior management, market rates and factors such as each director's workload, performance, job complexity and the Group's performance are taken into account.

During the Year, the Remuneration Committee has held 4 meetings with all members present. The Committee has reviewed the remuneration packages for Directors and senior management of the Group.

Executive Directors' remuneration packages may comprise fixed and variable components linking to individual and the Group's performance. For independent non-executive Directors, they may receive fixed fee and award shares/share options to be set at an appropriate level to attract and retain first-class non- executive talent by reference to the relevant time commitment and the size and complexity of the Group and benchmarked against a peer group.

During the Year, the Remuneration Committee has reviewed the share award scheme, approved and proposed to the Board for approval the Awarded Shares granted to the Selected Persons.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES *(CONTINUED)*

Remuneration Committee *(CONTINUED)*

In determining the number of the Awarded Shares, the Remuneration Committee has mainly considered the following factors:

- the seniority and the importance of the work position, taking into account the background of the Grantees;
- the contribution of the Grantees;
- the individual performance of the Grantees; and
- the Group's overall business performance, objectives and future development plan.

The Remuneration Committee believes that the future success of the Group is closely tied to the commitment and efforts of the Grantees, and the Awards were made to them in recognition of their past contribution to the development and business performance of the Group and as an incentive for their continuing commitment and contribution towards the sustainable growth of the Group. The Remuneration Committee is of the view that the terms of the Awards are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Nomination Committee

The Nomination Committee comprises three members, namely Mr. Liu Shunxing (Chairman), Ms. Huang Jian and Ms. Li Yongli. During the Year, the Nomination Committee has held 2 meeting with all members present.

The terms of reference of the Nomination Committee have been determined with reference to the Code and are posted on the websites of the Company and the Stock Exchange.

The role and function of the Nomination Committee are as follows:

- to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. In identifying suitable individuals, the Nomination Committee shall consider individuals on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
- to assess the independence of INEDs with reference to the independence guidelines as set out in the Listing Rules;
- to review the Diversity Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Diversity Policy, and the progress on achieving the objectives;

BOARD COMMITTEES *(CONTINUED)*

Nomination Committee *(CONTINUED)*

- to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive, taking into the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future; and
- the chairman or another member of the committee shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the committee's activities and responsibilities.

The Nomination Committee has been provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Diversity Policy and its terms of reference, if considered necessary.

The nomination policy stipulated the key nomination criteria and procedures for identifying and nominating suitably qualified candidates to join the Board. The selection criteria specified in the nomination policy include:

1. Selection Criteria

- in assessing the suitability of a proposed candidate, the Nomination Committee will consider the factors (as reference), including reputation, integrity, accomplishment and relevant experience in relation to the principal businesses of the Company from time to time, commitment in respect of available time and relevant interest, diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate;
- retiring Directors are eligible for nomination by the Board to stand for re-election at a general meeting. For those who have served as INEDs for a period of nine consecutive years standing for re-election, the Nomination Committee will consider the independence of such Director for nomination by the Board to stand for election at a general meeting and state the reason in the circular to the Shareholders for the re-election.

2. Nomination Procedures

- the secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidate(s) from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidate(s) who are not nominated by Board members;
- for filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidate(s) to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation;
- for proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation;

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES *(CONTINUED)*

Nomination Committee *(CONTINUED)*

2. Nomination Procedures *(CONTINUED)*

- a circular will be sent to the shareholders of the Company to provide them with the name, brief biography, proposed remuneration, (where an independent non-executive director is to be nominated) independency and other information of the proposing candidate in accordance with the requirements of the applicable laws, rules and regulations including those of the Listing Rules;

- a shareholder can serve a written notice to the Company for the attention of the Company Secretary of his or her intention to propose a certain person for election as a director. This written notice, together with (i) the information of the candidate as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information as may be considered relevant to his or her proposed election; and (ii) the written consent by that person to the publication of his or her personal data provided pursuant to immediately above, by the Company in its corporation communication documents in compliance with the Listing Rules or as may be required by the Stock Exchange at the principal place of business in Hong Kong of the Company for a period of no earlier than the day after the despatch of the notice of the meeting and ending no later than 7 days prior to the date of the general meeting; and

- the Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

In respect of the Diversity Policy (as defined below), the Board is cognisant of the benefits of diversity and the Nomination Committee monitors implementation of this policy as part of the process of selecting and nominating candidates for appointment to the Board. Candidates are considered against the broad and diverse range of aspects specified in the nomination policy, which among other aspects also include gender, ethnicity and cultural background.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "**Diversity Policy**") setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All board appointments are based on merit and contribution, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee reviews the Diversity Policy on a regular basis and discusses any revisions that may be required, and recommends any such revisions to the Board for consideration and approval. The Board considers that the current board composition is from diverse and complementary backgrounds and that it meets the criteria of the board diversity policy. The valuable experience and expertise they bring to our business are critical for the long-term growth of the Group. As of the date of this report, the Board comprises nine male and four female Directors. During the Year, the Board reviewed the board diversity policy to ensure its continued effectiveness.

In order to maintain gender diversity, similar considerations will be taken when recruiting and selecting senior management and employees of different categories. During the Year, we maintained a 76:24 ratio of men to women in the workplace. For details, please refer to our "2024 Environmental, Social and Governance Report" published by the Group.

Having reviewed the Diversity Policy, the nomination policy and the Board's composition, the Nomination Committee is satisfied that the requirements set out in the Diversity Policy had been met.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee comprises three independent non- executive Directors. The Audit Committee is chaired by Ms. Huang Jian and the other members of the Committee are Ms. Li Yongli and Mr. Zhang Zhong. Ms. Huang Jian is a certified public accountant in the PRC.

The terms of reference of the Audit Committee are in line with the Code and are posted on the websites of the Company and the Stock Exchange. Under its terms of reference, the Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's interim and annual financial statements, to review the scope, extent and effectiveness of the Group's risk management and internal control system, and to review the Group's financial and accounting policies.

The Audit Committee has held 4 meetings during the Year with all members present.

There is no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor

ESG COMMITTEE

The ESG Committee comprises three Directors and is chaired by Ms. Liu Jianhong. The other members of the Committee are Mr. Gui Kai, Mr. Jesse Zhixi Fang and Mr. Chua Pin. During the Year, the ESG Committee has held 2 meetings with all members present.

The duties of the ESG Committee shall include:

- To give recommendations about the Group's ESG strategies and identify significant ESG risks and opportunities;
- To approve and review ESG-related policies;
- To monitor the effectiveness of ESG management; and
- To review the ESG report.

AUDITORS' REMUNERATION

A summary of fees for audit and non-audit services is as follows:

Nature of the services	31 December 2024	31 December 2023
	RMB'000	*RMB'000*
Audit services	4,050	4,050

RISK MANAGEMENT AND INTERNAL CONTROLS

The Company has formulated risk management and internal control policies covering the management of targets, management of values and management of beliefs, and has established a set of risk management and internal control procedures encompassing the Company's organisational, institutional, procedural systems as well as information system, in order to safeguard the Company's assets and shareholders' investment by means of ensuring that risk control and strategic goals are compatible and within the manageable scope, ensuring the proper maintenance of accounting records and reliability of financial reporting, and ensuring the compliance with relevant laws and regulations.

In addition, the Board believes that the Company's accounting and financial reporting functions as well as the ESG performance and reporting functions have been performed by staff with the appropriate qualifications and experience and that such staff receives appropriate and sufficient training and development. Based on the report of the Audit Committee, the Board also believes that sufficient resources have been obtained for the Company's internal audit function and that its staff qualifications and experience, training programmes and budgets etc., are sufficient.

The Audit Committee is responsible for the risk management and internal control systems of the Group and the review of their effectiveness, which is responsible and reports to the Board. The committee is responsible for the monitoring of design and implementation of the Group's risk management and internal control system, in order to ensure the continuous effectiveness of the system.

The Company has formulated regulations and systems relevant to risk management and internal control, including the "Risk Management System", "Internal Control and Work Management Guidelines", "Anti-corruption Management System", "Internal Audit Management System", "Audit Management Guidelines for Employment Termination" and "Professional Ethics and Code of Conduct", etc. The risk management and internal monitoring system aims to ensure the formulation and effective implementation of financial, operational and regulatory monitoring and risk management functions. The process and information systems guarantee the effective execution of the risk management and internal control systems. Through the establishment of the process system, the Company will be able to carry out risk identification, risk assessment, risk response, risk monitoring and risk improvement. During the Year, the Company has continued to carry out risk management and internal control. Knowledge dissemination related to risk management and internal control has been strengthened through internal platform, covering all employees effectively. Content promotion and fraud information collection upholds the fundamental principles of "Prevention Precedes Punishment" and "Protect Those Who Report, Avoid Those Who are Being Investigated".

RISK MANAGEMENT AND INTERNAL CONTROLS *(CONTINUED)*

The Board has conducted a review of and is satisfied with the effectiveness of the risk management and internal control system of the Group throughout the year ended 31 December 2024.

The Company has established an independent audit function. The dedicated general manager of the function is independent of the daily operation of the Group. The Board and the Audit Committee believe that the internal audit function of the Company has the capacity to independently report to the Audit Committee in respect of the matters including audit plan and resources, executed audit procedures and material audit findings, and is capable to conduct analysis and independent assessment on the effectiveness of the Company's risk management and internal control systems.

The Board reviews the materiality of the relevant information and assess any possible impact on the Group in order to determine the appropriate course of actions and, if considered appropriate, a Board meeting may be convened to consider and decide whether or not the information constitutes inside information and disclosure shall be made immediately. The Board may seek independent professional advice, if and when appropriate, to ensure that the Company can timely comply with the disclosure requirements.

FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements which give a true and fair view and are in compliance with the statutory requirements and applicable financial reporting standards. As at 31 December 2024, the Directors were not aware of any material misstatement or uncertainties that might put doubt on the Group's financial position or continue as a going concern. The Board endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting.

A statement by the auditor about the auditor's responsibility is set out on pages 53 to 58 of this annual report.

COMPANY SECRETARY

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and that the activities of the Board are carried out efficiently and effectively. The Company Secretary assists the Chairman to prepare agendas and Board papers for meetings and disseminates such documents to the Directors and board committees in a timely manner. The Company Secretary is responsible for ensuring that the Board is fully briefed on all legislative, regulatory and corporate governance developments when making decisions. The Company Secretary is also directly responsible for the Group's compliance with the continuing obligations of the Listing Rules and Codes on Takeovers and Mergers and Share Repurchases, including publication and dissemination of Report and Financial Statements and interim reports within the period laid down in the Listing Rules, timely dissemination of announcements and information relating to the Group to the market and ensuring that proper notification is made when there are any dealings of the Director in the securities of the Group.

The Company Secretary also advises the Directors on their obligations for disclosure of interests in securities, connected transactions and price-sensitive information and ensure that the standards and disclosures required by the Listing Rules are observed.

During the Year, Mr. Chan Kam Kwan, Jason, the Company Secretary of the Company, has undertaken no less than 15 hours of professional training to update his skills and knowledge.

SHAREHOLDERS

To enable shareholders and other stakeholders to exercise their rights in an informed manner based on a good understanding of the Group's operations, businesses and financial information, the Company adopted the shareholders communication policy which aims to ensure that shareholders and other stakeholders at large are provided with ready, equal, regular and timely access to material information about the Group. The policy also sets out a number of ways to ensure effective and efficient communication with shareholders and other stakeholders is achieved, including but not limited to our results announcements, responses to shareholders' enquiries, corporate communications (in both English and Chinese, to facilitate shareholders' understanding), posting of relevant information on the Company Website, shareholders' meetings and investment market communications. For shareholders to communicate their views on various matters affecting the Company and the Company to solicit and understand the views of shareholders and other stakeholders, the Company adopts a number of mechanisms, including encouraging shareholders to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings and making appropriate arrangements for the annual general meetings to encourage and facilitate shareholders' participation. To facilitate communication between the Company, shareholders and the investor community, investor and analyst briefings, one-on-one meetings, roadshows and media interviews are organised and are attended by our directors and designated spokespersons. In addition, the Company Website published the Company's announcements, press releases and other corporate communications. During the year 2024, the Board reviewed the implementation and effectiveness of the shareholders communication policy, including the multiple communication channels for shareholders in place and the steps taken to handle shareholders' enquiries, and considered that the shareholders communication policy has been properly implemented and effective.

How shareholders can convene a special general meeting ("SGM")

Subject to Section 74 of the Companies Act 1981 of Bermuda (the "**Act**") and Bye-law 61 of the Bye-laws of the Company, shareholders holding in aggregate not less than 10% of the paid-up capital of the Company have the right, by written requisition to the Board or the secretary of the Company, to request a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

Procedures for putting forward proposals at a general meeting

Any number of shareholders representing not less than 5% of the total voting rights of the Company on the date of the requisition or not less than 100 shareholders of the Company are entitled to send a written requisition for a proposal for consideration at an annual general meeting of the Company subject to compliance with the requirements and procedures as set out in Section 79 of the Act.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS *(CONTINUED)*

Procedures for directing shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

4901, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong
Fax: (852) 3521 1598
Email: cs@cnegroup.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

INVESTOR RELATIONS

The Board is committed in providing clear and full performance information of the Group to shareholders through the publication of interim and annual reports. In addition to the circulars, notices and financial reports sent to shareholders, additional information of the Group is also available to shareholders on the Group's website.

Shareholders are encouraged to attend the annual general meeting for which at least 21 days' notice is given. The Chairman and Directors are available to answer questions on the Group's business at the meeting. Subject to the Act and the bye- laws of the Company, all shareholders shall have statutory rights to call for special general meetings and put forward agenda items for consideration in the general meetings. All resolutions at the general meeting are decided by a poll which is conducted by the Group's branch share registrar in Hong Kong.

The Group values feedback from shareholders on its effort to promote transparency and foster investor relationships. Comments and suggestions are always welcomed.

CONSTITUTIONAL DOCUMENT

For the year ended 31 December 2024, there were no significant changes to the Company's constitutional documents.

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of
Concord New Energy Group Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Concord New Energy Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 59 to 203, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER *(CONTINUED)*

Assessment of potential impairment of goodwill in relation to the group of cash generating units of investment in wind power plants	
Refer to Note 20 to the consolidated financial statements and the accounting policies in Note 3.	
The Key Audit Matter	**How the matter was addressed in our audit**
As at 31 December 2024, the goodwill allocated to the group of cash generating units ("CGU") of investment in wind power plants arising on acquisition amounted to RMB646 million. The Group conducted an annual impairment assessment on goodwill by assessing the recoverable amount of the relevant group of CGUs to which the goodwill has been allocated based on their fair value less costs to disposal using discounted cash flow method. The impairment assessment performed by the management involves the exercise of significant management judgement, particular in estimating future sales volumes and future on-grid tariffs as well as in the estimation of the discount rates applied. We identified goodwill impairment assessment on the group of CGUs of investment in wind power plants as a key audit matter because the carrying amount of the goodwill is material to the consolidated financial statements and also because management's judgement and assumptions involved as part of the impairment assessment are inherently uncertain and could be subject to potential management bias.	Our audit procedures to address potential impairment of goodwill in relation to the group of CGUs of investment in wind power plants included the following: • assessing management's identification of CGUs and the allocation of assets to each CGU with reference to our understanding of the Group's business and the requirements of the prevailing accounting standards; • comparing the actual results for the current year with management's forecast in the previous year to assess the historical accuracy of management's forecasting process and if there is any indication of management bias; • involving our internal valuation specialists to evaluate the valuation methodology used in determining the recoverable amount of the relevant group of CGUs, and assess whether the discount rates applied in the impairment assessment were within the ranges adopted by other companies in the same industry; • challenging management's basis on the estimation of the estimated future sales volumes of wind power plants in operation by comparing with the historical sales volumes and on-grid tariffs and government's policies on on-grid tariffs and validating management's reason of significant deviations, if any;

KEY AUDIT MATTER *(CONTINUED)*

Assessment of potential impairment of goodwill in relation to the group of cash generating units of investment in wind power plants	
Refer to Note 20 to the consolidated financial statements and the accounting policies in Note 3.	
The Key Audit Matter	**How the matter was addressed in our audit**
	• evaluating the assumptions of the estimated sales volumes and on-grid tariffs of wind power plants under construction by checking to the feasibility reports and by considering the future development plans from the local government, on a sample basis, and government's policies on on-grid tariffs; • evaluating management's sensitivity analysis of the key assumptions adopted and considering if there were any indicators of management bias; and • assessing the reasonableness of the disclosures in the consolidated financial statements in respect of the impairment assessment of goodwill, including the key assumptions and sensitivities, with reference to the requirements of the prevailing accounting standards.

INDEPENDENT AUDITOR'S REPORT

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units witnin the Group as a basis for forming an opinion on the Group's financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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

The engagement partner on the audit resulting in this independent auditor's report is Chu Man Wai.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 February 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024 *(Expressed in Renminbi ("RMB"))*

	Note	**2024**	2023
		RMB'000	*RMB'000*
CONTINUING OPERATIONS			
Revenue	*6, 7*	**2,752,054**	2,588,646
Cost of sales and services rendered	*14*	**(1,236,206)**	(1,183,020)
Gross profit		**1,515,848**	1,405,626
Other income	*8*	**183,840**	104,887
Other gains and losses, net	*9*	**31,684**	404,149
Impairment losses under expected credit loss model, net of reversal	*10*	**(702)**	(1,130)
Distribution and selling expenses		**(13,849)**	(6,141)
Administrative expenses		**(343,759)**	(404,458)
Finance costs	*13*	**(683,945)**	(644,165)
Share of profit of joint ventures, net		**166,503**	172,836
Share of profit of associates, net		**11,152**	17,029
Profit before income tax	*14*	**866,772**	1,048,633
Income tax credit/(expense)	*15*	**8,803**	(153,825)
Profit for the year from continuing operations		**875,575**	894,808
DISCONTINUED OPERATION			
Profit for the year from discontinued operation, net of tax	*5*	**—**	93,942
Profit for the year		**875,575**	988,750

The notes on pages 69 to 203 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(CONTINUED)*

For the year ended 31 December 2024 *(Expressed in RMB)*

	Note	2024 *RMB'000*	2023 *RMB'000*
Attributable to equity shareholders of the Company:			
From continuing operations		**805,133**	877,502
From discontinued operation	5	**—**	86,272
		805,133	963,774
Attributable to non-controlling interests of the Company:			
From continuing operations		**70,442**	17,306
From discontinued operation	5	**—**	7,670
		70,442	24,976
Profit for the year		**875,575**	988,750
Earnings per share			
Basic earnings per share *(RMB cents)*	*16(a)*	**10.06**	11.42
Diluted earnings per share *(RMB cents)*	*16(b)*	**10.05**	11.39
Earnings per share — continuing operations			
Basic earnings per share *(RMB cents)*	*16(a)*	**10.06**	10.39
Diluted earnings per share *(RMB cents)*	*16(b)*	**10.05**	10.37

The notes on pages 69 to 203 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 17.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024 *(Expressed in RMB)*

	Note	2024	2023
	Note	***RMB'000***	*RMB'000*
Profit for the year		**875,575**	988,750
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(22,661)**	(3,529)
Other comprehensive income for the year, net of tax		**(22,661)**	(3,529)
Total comprehensive income for the year		**852,914**	985,221
Attributable to equity shareholders of the Company:			
From continuing operations		**783,273**	874,428
From discontinued operation	*5*	**—**	86,272
		783,273	960,700
Attributable to non-controlling interests of the Company:			
From continuing operations		**69,641**	16,851
From discontinued operation	*5*	**—**	7,670
		69,641	24,521
Total comprehensive income for the year		**852,914**	985,221

The notes on pages 69 to 203 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024 *(Expressed in RMB)*

	Note	2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	18	**17,247,835**	17,759,434
Right-of-use assets	19	**1,400,314**	949,945
Intangible assets	20	**659,835**	716,034
Interests in associates	21	**761,872**	758,251
Interests in joint ventures	22	**2,147,270**	2,082,481
Financial assets at fair value through profit or loss	23	**125,157**	14,746
Prepayments, deposits and other receivables	26	**1,392,813**	1,621,121
Finance lease receivables	27	**177,746**	269,816
Loan receivables	28	**11,673**	30,833
Deferred tax assets	38(b)	**61,266**	47,268
		23,985,781	24,249,929
Current assets			
Inventories	29	**19,217**	46,295
Contract assets	24	**78,815**	116,175
Trade and bills receivables	25	**1,648,792**	1,415,900
Prepayments, deposits and other receivables	26	**929,927**	926,884
Finance lease receivables	27	**48,066**	50,293
Loan receivables	28	**16,175**	17,797
Amounts due from associates	21	**53,121**	50,771
Amounts due from joint ventures	22	**287,109**	304,949
Financial assets at fair value through profit or loss	23	**55,733**	154,451
Cash and cash equivalents	30	**1,693,834**	2,445,465
Restricted deposits	30	**535,354**	1,457,459
Assets held for sale	31	**2,777,915**	—
		8,144,058	6,986,439
Total assets		**32,129,839**	31,236,368

The notes on pages 69 to 203 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024 *(Expressed in RMB)*

	Note	2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	35	**4,809,590**	2,809,059
Other borrowings	36	**9,296,012**	11,856,855
Lease liabilities	37	**418,543**	135,486
Deferred tax liabilities	38(b)	**20,052**	57,722
Deferred government grants	39	**4,261**	4,516
Payables for construction in progress, other payables and accruals	33	**730,050**	1,050,671
Financial guarantee contract liabilities	40	**4,772**	8,060
		15,283,280	15,922,369
Current liabilities			
Trade and bills payables	32	**589,014**	1,672,288
Payables for construction in progress, other payables and accruals	33	**2,552,221**	3,084,416
Contract liabilities	34	**25,029**	52,496
Amounts due to associates	21	**70**	70
Amounts due to joint ventures	22	**52,010**	35,574
Bank borrowings	35	**924,967**	973,253
Other borrowings	36	**1,167,151**	895,844
Lease liabilities	37	**33,561**	21,821
Financial guarantee contract liabilities	40	**3,774**	4,823
Current income tax liabilities	38(a)	**50,640**	138,000
Liabilities directly associated with the assets held for sale	31	**2,541,816**	—
		7,940,253	6,878,585
Total liabilities		**23,223,533**	22,800,954
Net current assets		**203,805**	107,854
Total assets less current liabilities		**24,189,586**	24,357,783
Net assets		**8,906,306**	8,435,414

The notes on pages 69 to 203 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024 *(Expressed in RMB)*

		2024	2023
	Note	***RMB'000***	*RMB'000*
EQUITY			
Share capital	*41(a)*	**68,390**	72,598
Reserves		**8,646,560**	8,210,438
Total equity attributable to equity shareholders of the Company		**8,714,950**	8,283,036
Non-controlling interests		**191,356**	152,378
Total equity		**8,906,306**	8,435,414

Approved and authorised for issue by the board of directors on 27 February 2025.

Liu Shunxing
Chairman and Executive Director

Niu Wenhui
Executive Director

The notes on pages 69 to 203 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024 *(Expressed in RMB)*

	Attributable to equity shareholders of the Company										
	Share capital *(Note 41(a))*	Treasury shares *(Note 41(b))*	Share premium	Contributed surplus *(Note 41(c))*	Premium arising on acquisition and disposal of non-controlling interests	Exchange reserves	Other reserves *(Note 41(d))*	Retained earnings *(Note 41(e))*	Subtotal	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	72,598	(218,966)	413,851	2,359,063	(76,551)	10,862	175,289	5,546,890	8,283,036	152,378	8,435,414
Profit for the year	–	–	–	–	–	–	–	805,133	805,133	70,442	875,575
Other comprehensive income	–	–	–	–	–	(21,860)	–	–	(21,860)	(801)	(22,661)
Total comprehensive income for the year	–	–	–	–	–	(21,860)	–	805,133	783,273	69,641	852,914
Cancellation of treasury shares *(Note 41(a))*	(4,208)	254,067	(249,859)	–	–	–	–	–	–	–	–
Repurchase of ordinary shares *(Note 41(b))*	–	(68,117)	–	–	–	–	–	–	(68,117)	–	(68,117)
Vesting of shares under share award scheme *(Note 42)*	–	2,979	10,000	–	–	–	(12,979)	–	–	–	–
Share-based compensation *(Note 42)*	–	–	–	–	–	–	5,815	–	5,815	–	5,815
2023 final dividends *(Note 17)*	–	–	–	–	–	–	–	(258,890)	(258,890)	–	(258,890)
Contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	89,979	89,979
Acquisition of non-controlling interests	–	–	–	–	(30,167)	–	–	–	(30,167)	(54,818)	(84,985)
Dividends declared to non-controlling interests	–	–	–	–	–	–	–	–	–	(65,824)	(65,824)
Balance at 31 December 2024	68,390	(30,037)	173,992	2,359,063	(106,718)	(10,998)	168,125	6,093,133	8,714,950	191,356	8,906,306

The notes on pages 69 to 203 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024 *(Expressed in RMB)*

	Attributable to equity shareholders of the Company										
	Share capital *(Note 41(a))*	Treasury shares *(Note 41(b))*	Share premium	Contributed surplus *(Note 41(c))*	Premium arising on acquisition and disposal of non-controlling interests	Exchange reserves	Other reserves *(Note 41(d))*	Retained earnings *(Note 41(e))*	Subtotal	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	77,443	(240,382)	708,438	2,359,063	(76,551)	13,936	128,197	4,861,603	7,831,747	263,145	8,094,892
Profit for the year	–	–	–	–	–	–	–	963,774	963,774	24,976	988,750
Other comprehensive income	–	–	–	–	–	(3,074)	–	–	(3,074)	(455)	(3,529)
Total comprehensive income for the year	–	–	–	–	–	(3,074)	–	963,774	960,700	24,521	985,221
Cancellation of treasury shares *(Note 41(a))*	(4,845)	314,731	(309,886)	–	–	–	–	–	–	–	–
Repurchase of ordinary shares *(Note 41(b))*	–	(301,001)	–	–	–	–	–	–	(301,001)	–	(301,001)
Vesting of shares under share award scheme *(Note 42)*	–	7,686	15,299	–	–	–	(22,985)	–	–	–	–
Share-based compensation *(Note 42)*	–	–	–	–	–	–	13,377	–	13,377	–	13,377
2022 final dividends *(Note 17)*	–	–	–	–	–	–	–	(278,487)	(278,487)	–	(278,487)
Disposal of interest in subsidiaries	–	–	–	–	–	–	8,100	–	8,100	(110,024)	(101,924)
Contribution by non-controlling interests	–	–	–	–	–	–	48,600	–	48,600	9,745	58,345
Dividends declared to non-controlling interests	–	–	–	–	–	–	–	–	–	(35,009)	(35,009)
Balance at 31 December 2023	72,598	(218,966)	413,851	2,359,063	(76,551)	10,862	175,289	5,546,890	8,283,036	152,378	8,435,414

The notes on pages 69 to 203 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 31 December 2024 *(Expressed in RMB)*

		2024	2023
	Note	***RMB'000***	*RMB'000*
Cash flows from operating activities			
Cash generated from operations	*43(a)*	**2,323,939**	1,756,934
Income tax paid		**(133,114)**	(176,300)
Net cash generated from operating activities		**2,190,825**	1,580,634
Cash flows from investing activities			
Payments for property, plant and equipment		**(4,259,326)**	(3,752,122)
Payments for right-of-use assets		**(245,170)**	(443,063)
Capital injection to joint ventures and associates		**(6,469)**	(390)
Net cash inflow on disposal/liquidation of subsidiaries	*43(b)*	**52,112**	298,647
Net proceeds from disposal of associates		**—**	1,120
Net proceeds from disposal of property, plant and equipment	*43(c)*	**5,695**	14,692
Payments for acquisition of a subsidiary	*43(d)*	**(23,745)**	—
Proceeds from disposal of other financial assets		**2,526,446**	3,134,526
Payments for acquisition of other financial assets		**(2,504,249)**	(3,125,993)
Dividends received from joint ventures and associates		**48,331**	57,579
Proceeds from dividends received from disposed subsidiaries		**24,785**	75,537
Interest received		**41,289**	31,047
Placement of restricted deposits		**(535,354)**	(1,457,459)
Withdrawal of restricted deposits		**1,457,459**	578,240
Net cash used in investing activities		**(3,418,196)**	(4,587,639)

The notes on pages 69 to 203 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 31 December 2024 *(Expressed in RMB)*

		2024	2023
	Note	***RMB'000***	*RMB'000*
Cash flows from financing activities			
Payment for repurchase of shares of the Company	*41(a)*	**(68,117)**	(301,001)
Proceeds from bank borrowings	*44*	**4,131,011**	3,115,298
Repayment of bank borrowings	*44*	**(1,359,580)**	(1,455,713)
Proceeds from other borrowings	*44*	**2,313,764**	4,783,606
Repayment of other borrowings	*44*	**(3,470,399)**	(2,402,934)
Withdraw of deposits		**38,357**	57,179
Repayment of lease liabilities	*44*	**(31,972)**	(17,423)
Repayment of senior notes	*44*	**—**	(618,453)
Dividends paid to equity shareholders of the Company		**(258,890)**	(278,487)
Dividends paid to non-controlling interests		**(65,878)**	(26,570)
Proceeds from disposal of partial interests in subsidiaries without losing control		**—**	8,100
Payment for acquisitions of non-controlling interests of subsidiaries		**(84,985)**	(214,833)
Contributions by non-controlling interests		**89,979**	58,345
Interest paid	*44*	**(708,247)**	(733,444)
Net cash generated from financing activities		**525,043**	1,973,670
Net decrease in cash and cash equivalents		**(702,328)**	(1,033,335)
Cash and cash equivalents at the beginning of the year		**2,445,465**	3,471,039
Effect of foreign exchange rate changes		**10,649**	7,761
Cash and cash equivalents at the end of the year		**1,753,786**	2,445,465
Cash and cash equivalents balances		**1,693,834**	2,445,465
Cash and cash equivalents balances attributable to disposal subsidiaries classified as held for sale	*31*	**59,952**	—
		1,753,786	2,445,465
Analysis of balances of cash and cash equivalents			
Cash and bank balances	*30*	**2,229,188**	3,902,924
Restricted deposits	*30*	**(535,354)**	(1,457,459)
		1,693,834	2,445,465

The notes on pages 69 to 203 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 GENERAL INFORMATION

Concord New Energy Group Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The address of its headquarters is 30 Cecil Street #21-01/02, Prudential Tower, Singapore. The address of its registered office is Room Nos.4901 and 4938-4940, 49/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.

During the year, the Company and its subsidiaries (together the "Group") were involved in the following principal activities of operating and investment in wind power plants and photovoltaic power plants, and provision of design, technical and consultation services.

The consolidated financial statements are presented in Renminbi ("RMB").

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

2.1 New and amendments to HKFRSs that are mandatorily effective for the current accounting period

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") to the consolidated financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, *Presentation of financial statements — Non-current liabilities with covenants* ("2022 amendments")
- Amendments to HKFRS 16, *Leases — Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(CONTINUED)*

2.1 New and amendments to HKFRSs that are mandatorily effective for the current accounting period *(CONTINUED)*

Amendments to HKAS 1, Presentation of financial statements (the 2020 and 2022 amendments, collectively the "HKAS 1 amendments")

The HKAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the amendments, the Group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made. The Group has provided additional disclosures about its non-current liabilities subject to covenants in Note 49(b).

Amendments to HKFRS 16, Leases — Lease liability in a sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on the consolidated financial statements.

Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: disclosures — Supplier finance arrangements

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on the consolidated financial statements as the Group does not have any supplier finance arrangements.

(Expressed in RMB unless otherwise indicated)

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(CONTINUED)*

2.2 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2024

Up to the date of issue of the consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in the consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments*	1 January 2026
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 HKFRS 10, *Consolidated financial statements* and HKAS 28, *Investments in associates and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for HKFRS 18. The Group is initially planning to apply HKFRS 18, *Presentation and disclosure in financial statements*, from 1 January 2027 and it will disclose more transparent and comparable information about the Group's financial performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual HKFRS Accounting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2.1 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKFRS16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and the Group's interest in associates and joint ventures. Control is achieved when the Company:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses relating from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Basis of consolidation *(CONTINUED)*

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of the relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity shareholders of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the equity shareholders of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9/HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Business combinations *(CONTINUED)*

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits*, respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which the lease term ends within 12 months of the acquisition date; or the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at the acquisition date. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Goodwill *(CONTINUED)*

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit (or groups of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units).

Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Investments in associates and joint ventures *(CONTINUED)*

The results and assets and liabilities of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates and joints ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture, unless it is classified as held for sale.

Changes in net assets of the associate or joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Investments in associates and joint ventures *(CONTINUED)*

When a group entity transacts with an associate or a joint venture of the Group profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for presented on a net basis.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Revenue from contracts with customers *(CONTINUED)*

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis, except for the allocation of variable consideration.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date (service contracts in which the Group bills a fixed amount for the time of service provided), the Group recognises revenue in the amount to which the Group has the right to invoice.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Revenue from contracts with customers *(CONTINUED)*

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For contracts where the Group transferred the associated goods or services before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognises interest revenue during the period between the payment from customers and the transfer of the associated goods or services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Leases *(CONTINUED)*

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

The initial fair value of refundable rental deposits is accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Leases *(CONTINUED)*

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Leases *(CONTINUED)*

Lease liabilities *(CONTINUED)*

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Leases *(CONTINUED)*

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Leases *(CONTINUED)*

The Group as a lessor *(CONTINUED)*

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee accounts for the transfer proceeds as financial liabilities within the scope of HKFRS 9.

The Group as a buyer-lessor

For a transfer of asset that does not satisfy the requirements of HKFRS 15 to be accounted for as a sale of asset, the Group as a buyer-lessor does not recognise the transferred asset and recognises a financial asset equal to the transfer proceeds within the scope HKFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Foreign currencies *(CONTINUED)*

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Renminbi) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of "Exchange reserve" (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Retirement benefit costs *(CONTINUED)*

The employees of the Group in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The Group's PRC companies are required to contribute certain percentage of their payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payment arrangements

Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments of the Group, namely the share award scheme.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (other reserves). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the other reserves. The equity amount is recognised in the other reserves until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

Under the share award scheme, when the awarded shares are vested the related cost of the vested shares is released from the other reserves to eliminate the related amount of treasury shares held for the share award scheme. Any difference between the cost of the vested shares and the related amount of treasury shares is transferred to share premium.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Taxation *(CONTINUED)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property, plant and equipment

Property, plant and equipment including buildings for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Property, plant and equipment *(CONTINUED)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of right-of-use assets provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by the management).

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Impairment losses on tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Impairment losses on tangible and intangible assets other than goodwill *(CONTINUED)*

The recoverable amounts of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined using the specific identification of their individual costs. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest revenue and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of a financial asset the Group may irrevocably elect to present subsequent changes in far value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Financial assets *(CONTINUED)*

Classification and subsequent measurement of financial assets *(CONTINUED)*

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest revenue

Interest revenue is recognised using the effective interest method for financial assets measured subsequently at amortised cost and receivables subsequently measured at FVTOCI. Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest revenue is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest revenue is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Financial assets *(CONTINUED)*

Impairment of financial assets, contract assets and lease receivables

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including cash and cash equivalents, restricted deposits, trade receivables, loan receivables and amounts due from joint ventures and associates, other receivables), and finance lease receivables, contract assets and financial guarantee contracts which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables (including trade-related amounts due from joint ventures and associates), finance lease receivables and contract assets. The ECL on these assets are assessed collectively or individually.

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Financial assets *(CONTINUED)*

Impairment of financial assets, contract assets and lease receivables *(CONTINUED)*

(i) Significant increase in credit risk (CONTINUED)

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Financial assets *(CONTINUED)*

Impairment of financial assets, contract assets and lease receivables *(CONTINUED)*

(iii) Credit-impaired financial assets (CONTINUED)

- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Financial assets *(CONTINUED)*

Impairment of financial assets, contract assets and lease receivables *(CONTINUED)*

(v) Measurement and recognition of ECL (CONTINUED)

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Interest revenue is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest revenue is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, contract assets, other receivables, and amounts due from joint ventures and associates where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including bank and other borrowings, senior notes, trade and bills payables, accruals and other payables, amounts due to joint ventures and associates, are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Financial liabilities and equity instruments *(CONTINUED)*

Convertible loan contain debt and derivative components

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible loan is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible loan are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible loan using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, employee benefits assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Non-current assets held for sale and discontinued operations *(CONTINUED)*

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

Where an operation is classified as discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

3 MATERIAL ACCOUNTING POLICIES *(CONTINUED)*

Related parties *(CONTINUED)*

(b) *(CONTINUED)*

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparation of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition on tariff subsidy on sales of electricity

Tariff subsidy represents subsidy received and/or receivable from the relevant authorities in respect of the Group's power generation business. Tariff subsidy is recognised as revenue at its fair value where there is a reasonable assurance that the additional tariff will be received and the Group will comply with all attached conditions, if any.

According to the tariff notice released by the National Development and Reform Commission of the PRC (the "Tariff Notice"), for power plants which obtained on-grid approval and commence in generating electricity will be eligible for on-grid tariff subsidy, which is determined by deducting the basic electricity price from the total electricity price set out in respective electricity purchase agreement.

Pursuant to the Tariff Notice, a set of standardised procedures for the settlement of the tariff subsidy has come into force since 2013. The approvals for the registration in the Renewable Energy Tariff Subsidy List (可再生能源發電補貼項目清單) (the "List") on a project-by-project basis are required before the allocation of funds to the state grid companies, which then would make settlement to the Group. In 2020, the government authorities jointly issued several new notices to crystalize the registration and verification process to apply tariff subsidy for wind and solar power plants, which simplify system management of the List and optimise subsidy settlement process.

All of the Group's power plants (including power plants held by the Group's joint ventures and associates), of which tariff subsidy is recognised as revenue, have been registered in the List, and qualified for and met relevant requirements and conditions for the entitlement of the tariff subsidy when the electricity was delivered on grid. The directors of the Company are confident that it's highly probable that the accrued revenue on tariff subsidy will be received but only subject to timing of allocation of funds from the PRC government.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Key sources of estimation uncertainty *(CONTINUED)*

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units ("CGUs") to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The calculation of recoverable amount requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected or change in facts and circumstances which results in downward revision of future cash, a material impairment loss may arise.

As set out in Note 20 to the consolidated financial statements, the annual impairment review performed by the management involves assumptions, including estimated sales volumes and on-grid tariff of each wind farm, and discount rate, amongst others, that are subjective in nature and the Company is required to use judgement in applying such information. Depending on the complexity of deriving reasonable estimates of the recoverable amount of the CGU, the Group may perform such assessment utilising internal resources or the Group may engage external advisors to counsel the Group in making this assessment.

An impairment loss is recognised in the consolidated statement of profit or loss whenever the carrying amount of a CGU or groups of CGUs exceeds its recoverable amount.

As at 31 December 2024, the carrying amount of goodwill was RMB659,423,000 (2023: RMB715,623,000). No impairment (2023: No impairment) was recognised during the current year. Details of the recoverable amount calculation are disclosed in Note 20.

5 DISCONTINUED OPERATION

In November 2023, the Group disposed part of interest in Intelligent operation and maintenance business with cash consideration amounted RMB126,090,000 and ceased to consolidate Intelligent operation and maintenance business in the consolidated financial statements and accounted for the rest 33.25% interests as a joint venture. Management made such strategic decision to place greater focus on the Group's key competencies-i.e. operation of wind and solar power plants.

The Intelligent operation and maintenance segment was not previously classified as held-for-sale or as a discontinued operation before November 2023. The consolidated results of the Intelligent operation and maintenance segment for the period from 1 January 2023 to 30 November 2023 were presented in the consolidated statement of profit or loss and other comprehensive income as discontinued operation. The comparative consolidated statement of profit or loss and other comprehensive income distinguished the discontinued operation and continuing operations.

6 SEGMENT INFORMATION

(a) Business segments

The management has determined the operating segments based on the internal reports reviewed and used by executive directors of the Company, who are the chief operating decision makers ("CODM"), for strategic decision making.

The CODM consider the business from a product and service perspective. The Group is organised into certain business units according to the nature of the products sold or services provided. The CODM review operating results and financial information of each business unit separately. Accordingly, each business unit (including joint ventures and associates) is identified as an operating segment. These operating segments with similar economic characteristics and similar nature of products sold or services provided have been aggregated into the following reporting segments:

- Power generation segment — operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;

- Intelligent operation and maintenance segment (disposed in November 2023 and presented as discontinued operation, see Note 5) — provision of operation and maintenance, asset management, overhaul and commissioning service for wind and solar power plants; and

- "Others" segment — provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the "engineering, procurement and construction business"), and stock finance lease services.

The CODM assess the performance of the operating segments based on a measure of adjusted earnings before interest and income tax. This measurement basis excludes the effects of non-recurring income and expenditure from the operating segments.

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' remuneration, certain other income, interest revenue and finance costs, after inter-segment elimination.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments other than assets and liabilities attributable to head office.

6 SEGMENT INFORMATION *(CONTINUED)*

(a) Business segments *(CONTINUED)*

Segment revenues and results, and segment assets and liabilities.

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable operating segment.

	Continuing operations			
	Power generation	Others	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2024				
Segment revenue				
Sales to external customers	2,515,951*	236,103	—	2,752,054
Inter-segment revenues	—	857,974	(857,974)	—
	2,515,951	1,094,077	(857,974)	2,752,054
Segment results	1,432,686	16,709	—	1,449,395
Unallocated other gains and losses, net				30,982
Unallocated income				33,069
Unallocated expenses				(4,018)
Interest revenue				41,289
Finance costs				(683,945)
Profit before income tax				866,772
Income tax credit				8,803
Profit for the year				875,575
At 31 December 2024				
Segment assets	30,334,019	1,690,979	—	32,025,998
Unallocated assets				104,841
Total assets				32,129,839
Segment liabilities	(22,431,730)	(592,044)	—	(23,023,774)
Unallocated liabilities				(199,759)
Total liabilities				(23,223,533)

* Revenue from power generation comprised electricity charges and income from wind power plants and solar power plants of RMB2,154,968,000 and RMB360,983,000, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

6 SEGMENT INFORMATION *(CONTINUED)*

(a) Business segments *(CONTINUED)*

Segment revenues and results, and segment assets and liabilities. *(CONTINUED)*

	Continuing operations		Discontinued operation		
	Power generation	Others	Intelligent operation and maintenance	Elimination	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2023					
Segment revenue					
Sales to external customers	2,259,413*	329,233	399,122	—	2,987,768
Inter-segment revenues	—	892,155	191,459	(1,083,614)	—
	2,259,413	1,221,388	590,581	(1,083,614)	2,987,768
Segment results	1,262,398	(34,481)	38,189	—	1,266,106
Unallocated other gains and losses, net					478,888
Unallocated income					39,976
Unallocated expenses					(7,447)
Interest revenue					31,047
Finance costs					(650,821)
Profit before income tax					1,157,749
Income tax expense					(168,999)
Profit for the year					988,750
At 31 December 2023					
Segment assets	28,500,683	2,474,293	—	—	30,974,976
Unallocated assets					261,392
Total assets					31,236,368
Segment liabilities	(21,309,871)	(1,295,574)	—	—	(22,605,445)
Unallocated liabilities					(195,509)
Total liabilities					(22,800,954)

* Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,893,041,000 and RMB366,372,000, respectively.

6 SEGMENT INFORMATION *(CONTINUED)*

(a) Business segments *(CONTINUED)*

Reconciliations of reportable segment revenue and assets

For the year ended 31 December 2024

	Continuing operations		
	Power generation	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue:			
Reportable segment revenue	2,515,951	1,094,077	3,610,028
Elimination of inter-segment revenue	—	(857,974)	(857,974)
Consolidated revenue *(Note 7)*	2,515,951	236,103	2,752,054
Amounts included in the measure of segment profit or loss or segment assets:			
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	3,617,002	57,683	3,674,685
Depreciation of property, plant and equipment	811,429	9,183	820,612
Amortisation of other intangible assets and depreciation of right-of-use assets	63,006	9,110	72,116
Share-based compensation	5,316	499	5,815
Interests in joint ventures and associates	2,429,453	479,689	2,909,142
Share of profit or loss of joint ventures and associates, net	157,899	19,756	177,655
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:			
Loss on disposal of property, plant, and equipment	1,542	297	1,839
Recognition of impairment loss on trade and bills receivables	—	702	702
Interest revenue	(23,406)	(17,883)	(41,289)
Finance costs	674,186	9,759	683,945
Income tax (credit)/expense	(21,150)	12,347	(8,803)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

6 SEGMENT INFORMATION *(CONTINUED)*

(a) Business segments *(CONTINUED)*

Reconciliations of reportable segment revenue and assets *(CONTINUED)*

For the year ended 31 December 2023

	Continuing operations		Discontinued operation	
	Power generation	Others	Intelligent operation and maintenance	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue:				
Reportable segment revenue	2,259,413	1,221,388	590,581	4,071,382
Elimination of inter-segment revenue	—	(892,155)	(191,459)	(1,083,614)
Consolidated revenue *(Note 7)*	2,259,413	329,233	399,122	2,987,768
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	5,203,004	84,630	52,445	5,340,079
Depreciation of property, plant and equipment	657,989	7,757	8,479	674,225
Amortisation of other intangible assets and depreciation of right-of-use assets	51,446	4,538	2,955	58,939
Share-based compensation	11,676	1,701	—	13,377
Interests in joint ventures and associates	2,378,405	462,327	—	2,840,732
Share of profit or loss of joint ventures and associates, net	190,887	(1,022)	(390)	189,475
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:				
(Gain)/loss on disposal of property, plant, and equipment	(2,567)	31	(22)	(2,558)
Recognition of impairment loss on trade and bills receivables	—	1,130	698	1,828
Interest revenue	(9,339)	(21,628)	(80)	(31,047)
Finance costs	631,707	12,458	6,656	650,821
Income tax expense	145,028	8,797	15,174	168,999

6 SEGMENT INFORMATION *(CONTINUED)*

(b) Geographical segments

The Group is classified by region of operation into the PRC and other regions, which included North America, Europe, Oceania, Southeast Asia and other regions.

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets (excluding deferred tax assets and financial assets) is presented based on the geographical location of the assets.

Revenue from external customers

	Continuing operations Year ended 31 December		**Discontinued operation Year ended 31 December**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**2,723,737**	2,561,091	**—**	399,122
Others	**28,317**	27,555	**—**	—
	2,752,054	2,588,646	**—**	399,122

Specified from non-current assets

	Non-current assets At 31 December	
	2024	2023
	RMB'000	*RMB'000*
The PRC	**22,940,573**	23,290,717
Others	**519,786**	412,925
	23,460,359	23,703,642

6 SEGMENT INFORMATION *(CONTINUED)*

(c) Information about major customers

Four (2023: Two) external customers individually contribute more than 10% of the total revenue of the Group. The revenue of these customers is summarised below:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**389,489**	377,163
Customer B	**354,033**	359,505
Customer C	**354,041**	*
Customer D	**382,956**	*

Revenue from customers above are attributable to power generation segment.

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

7 REVENUE

An analysis of the Group's revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of electricity:		
Basic and trading electricity price	**2,158,040**	1,867,969
Renewable energy subsidy *(note (i))*	**303,026**	341,581
Green energy certificates *(note (ii))*	**39,509**	45,458
Engineering, procurement and construction services	**59,864**	189,026
Provision of technical and consultancy services	**54,544**	21,185
Provision of design services	**37,548**	18,621
Other revenue	**67,182**	67,016
	2,719,713	2,550,856
Revenue from other source		
Finance lease income	**32,341**	37,790
Total revenue from continuing operations	**2,752,054**	2,588,646

Notes:

(i) Renewable energy subsidy is provided by the relevant PRC government authorities to the wind and solar power plants operating in the PRC, subject to the fulfilment of certain conditions. As further explained in Note 4, approval for the registration in the List is required before the allocation of renewable energy subsidy by the relevant PRC government authorities.

(ii) According to the Work Plan for Pilot Green Power Trading approved by National Development and Reform Commission and National Energy Administration, wind power and solar power plants that are not included in the List can apply to obtain green energy certificates from National Renewable Energy Information Management Center to participate in green energy trading through power exchange centers. During the year ended 31 December 2024, the Group sells green energy certificates to other green energy participants and recognised relevant revenue with amount of RMB39,509,000.

7 REVENUE *(CONTINUED)*

An analysis of timing of revenue recognition for revenue from contracts with customers is as follows:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Point in time:		
Sales of electricity	**2,500,575**	2,255,008
Provision of design services	**37,548**	18,621
Provision of technical and consultancy services	**54,544**	21,185
Other revenue	**67,182**	67,016
	2,659,849	2,361,830
Over time:		
Engineering, procurement and construction	**59,864**	189,026
	2,719,713	2,550,856

Performance obligations for contracts with customers

The Group's revenue is mainly generated from the sale of electricity, the provision of design, technical and consultancy services, engineering, procurement and construction business.

Revenue relating to engineering, procurement and construction is recognised over time as the relevant contracts relate to assets under the control of the customers and therefore the Group's construction activities create or enhance assets under the customers' control. Revenue for these services is recognised based on output method which recognises the Group's performance on the basis of the time incurred by the Group, and in the opinion of the directors, this output method provides a faithful depiction of the transfer of services.

Revenue from the sale of electricity comprises of basic electricity price, renewable energy subsidy and green energy certificates. Revenue including the basic electricity price and renewable energy subsidy is recognised when control of the electricity has been transferred, being at the point when electricity is generated and transmitted to the customer. Revenue of green energy certificates is recognised when control of the green certificates has been transferred to the customer. Revenue from the provision of design, technical and consultancy services are recognised when the services have been provided, being when the customer acknowledges receipt of the Group's drawing designs and reports.

8 OTHER INCOME

An analysis of the Group's other income is as follows:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Interest revenue	**41,289**	30,967
Government Grants:		
— Tax refunds *(note (i))*	**34,431**	36,494
— Others (including amortisation of deferred income in Note 39)	**13,293**	2,196
Compensations *(note (ii))*	**53,033**	15,146
Gain on transfer the right of use of boosting substations	**22,018**	—
Guarantee income *(note (iii))*	**8,331**	8,625
Rental income	**5,373**	8,039
Others	**6,072**	3,420
	183,840	104,887

Notes:

(i) The amounts mainly represent refunds of value-added tax and other taxes received from the PRC tax authorities.

(ii) The amounts mainly represented compensations from some of the Group's power equipment suppliers due to breaching the terms of the contract for purchasing of equipment.

(iii) The amounts mainly represent guarantee fees earned for providing financial guarantees to two associates and a joint venture of the Group (see Note 40).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

9 OTHER GAINS AND LOSSES, NET

An analysis of other gains and losses, net is as follows:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Gain on disposal/liquidation of subsidiaries, net *(Note 43(b))*	**32,202**	399,759
Gain on disposal of an associate, net	**—**	62
Changes in fair value of financial assets at FVTPL	**16,287**	42
Exchange (loss)/gain, net	**(144)**	6,346
(Loss)/gain on disposal of property, plant and equipment *(Note 43(c))*	**(1,839)**	2,536
Impairment losses relating to the disposal subsidiaries classified as held for sale *(Note 31(a))*	**(14,637)**	—
Donation	**(1,261)**	(2,073)
Others	**1,076**	(2,523)
	31,684	404,149

10 IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Impairment loss recognised in respect of:		
— Trade and bills receivables *(Note 25)*	**702**	1,130
	702	1,130

Details of impairment assessment of financial assets for the year ended 31 December 2024 are set out in Note 49(c).

11 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Wages, salaries and bonuses	**422,850**	407,453
Pension costs-defined contribution plans *(note (i))*	**61,395**	49,775
Share-based compensation *(Note 42)*	**5,815**	13,377
	490,060	470,605
Employee benefit expense capitalised *(note (ii))*	**(256,380)**	(199,548)
	233,680	271,057

Notes:

(i) As at 31 December 2024, the Group had no significant forfeited contributions available to reduce its contributions to the pension scheme in future years (2023: nil).

(ii) Employee benefit expense has been capitalised as construction in progress under property, plant and equipment during the year ended 31 December 2024.

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the current and prior year are all directors whose emoluments are reflected in the analysis shown in Note 12.

12 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executives' remuneration for the year, disclosed pursuant to the applicable disclosure requirements of Listing Rules and the Hong Kong Companies Ordinance, are as follows:

For the year ended 31 December 2024:

Name	Fees	Salary	Share-based payment *(note (i))*	Employer's contribution to a retirement benefit scheme	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Liu Shunxing *(Chairman)*	—	9,351	448	20	9,819
Liu Jianhong *(Vice Chairperson)*	—	6,590	336	147	7,073
Gui Kai *(Chief Executive Officer)*	—	4,618	232	14	4,864
Niu Wenhui	—	4,303	232	177	4,712
Zhai Feng	—	3,269	232	172	3,673
Shang Jia	—	2,780	232	775	3,787
Chan Kam Kwan, Jason *(note (iv))*	—	553	58	16	627
Non-executive director:					
Wang Feng	—	—	—	—	—
Independent non-executive directors:					
Jesse Zhixi Fang	296	—	58	—	354
Huang Jian *(note (iii))*	296	—	58	—	354
Zhang Zhong	296	—	58	—	354
Li Yongli	296	—	—	—	296
Chua Pin *(note (v))*	56	—	—	—	56
Total	1,240	31,464	1,944	1,321	35,969

12 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(CONTINUED)*

For the year ended 31 December 2023:

Name	Fees	Salary	Share-based payment *(note (i))*	Employer's contribution to a retirement benefit scheme	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Liu Shunxing *(Chairman)*	—	8,536	1,088	16	9,640
Liu Jianhong *(Vice Chairperson)*	—	5,691	821	256	6,768
Gui Kai *(Chief Executive Officer)*	—	4,443	580	1	5,024
Niu Wenhui	—	4,293	580	169	5,042
Zhai Feng	—	3,355	557	170	4,082
Shang Jia	—	3,467	568	1	4,036
Non-executive director:					
Wang Feng	—	—	—	—	—
Independent non-executive directors:					
Yap Fat Suan, Henry *(note (ii))*	238	—	144	—	382
Jesse Zhixi Fang	238	—	144	—	382
Huang Jian *(note (iii))*	238	—	144	—	382
Zhang Zhong	238	—	144	—	382
Li Yongli	238	—	—	—	238
Total	1,190	29,785	4,770	613	36,358

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

12 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(CONTINUED)*

Notes:

(i) These represent amortisation of the fair value of shares award under the Scheme (Note 42) measured at the grant date and charged to the profit or loss during the reporting period.

(ii) Mr. Yap Fat Suan has been resigned as an independent non-executive director of the Company and the Chairman of the Audit Committee of the Company with effect from 18 December 2023.

(iii) Ms. Huang Jian has been appointed as the Chairman of the Audit Committee of the Company with effect from 18 December 2023.

(iv) Mr. Chan Kam Kwan, Jason has been appointed as the executive director of the Company with effect from 26 April 2024.

(v) Mr. Chua Pin has been appointed as the independent non-executive director of the Company with effect from 25 October 2024.

Save as those emoluments presented above, no other fees or emoluments were paid, have been or will be paid to the independent non-executive directors in respect of the current year (2023: nil).

The executive directors' remuneration shown above was for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were for their services as directors of the Company. The independent non-executive directors'emoluments shown above were for their services as directors of the Company.

During the current and prior years, no emoluments were paid to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

13 FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Interest expenses on:		
— Bank borrowings	**198,730**	114,810
— Other borrowings	**516,529**	561,791
— Senior notes	**—**	35,053
— Lease liabilities	**18,392**	11,066
	733,651	722,720
Interest capitalised *(note)*	**(49,706)**	(78,555)
	683,945	644,165

Note:

During the year ended 31 December 2024, finance costs have been capitalised at various applicable rates ranging from 2.45% to 5.19% (2023: 3.40% to 11.76%) per annum for qualified assets classified as construction in progress under property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

14 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging the following:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Cost of sales and services rendered included:		
Direct operating costs for power generation	1,100,932	873,717
Cost of provision of design services	25,868	14,398
Cost of provision of technical and consultancy services	17,142	25,445
Cost of engineering, procurement and construction services	47,037	201,179
Cost of finance lease	3,275	2,457
Cost of others	41,952	65,824
	1,236,206	1,183,020
Depreciation of property, plant and equipment	822,970	668,275
Depreciation of right-of-use assets	78,280	61,629
Amortisation of other intangible assets	97	97
Total depreciation and amortisation	901,347	730,001
Amount capitalised as construction in progress under property, plant and equipment	(8,619)	(8,271)
Total depreciation and amortisation charged to profit or loss	892,728	721,730
Amounts included in cost of sales and services rendered	(863,462)	(694,522)
Amounts included in administrative expenses	29,266	27,208
Auditor's remuneration	4,050	4,050

15 INCOME TAX (CREDIT)/EXPENSE

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

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Current tax		
— PRC corporate income tax	**106,670**	95,835
— PRC withholding tax	**30,562**	98,863
Under/(over)-provision in prior years:		
— PRC corporate income tax	**3,050**	2,709
— PRC withholding tax *(note (i))*	**(90,000)**	—
Deferred tax *(Note 38)*	**(59,085)**	(43,582)
	(8,803)	153,825

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first Hong Kong dollars ("HK$") 2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

PRC corporate income tax is provided for at the rate of 25% (2023: 25%) for the year of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. During the year ended 31 December 2024, no provisions for income tax have been made in other jurisdictions as the Group had no assessable profit generated from other jurisdictions (2023: nil).

The law of the PRC on corporate income tax provides that qualified dividend income between two "resident corporates" that have a direct investment relationship is exempted from income tax. Otherwise, under the CIT Law and its relevant regulations, dividends receivable by non-PRC resident enterprises from PRC resident enterprises for earnings accumulated beginning on 1 January 2008 are subject to withholding tax at a rate of 10% unless reduced by tax treaties or agreements. Under the tax arrangement between the mainland China and Hong Kong Special Administration Region, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of the equity interest of a PRC resident enterprise is entitled to a reduced dividend withholding tax rate of 5%. The Group is currently subject to withholding tax at 5% to 10%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

15 INCOME TAX (CREDIT)/EXPENSE *(CONTINUED)*

(a) Taxation in the consolidated statement of profit or loss represents: *(CONTINUED)*

Deferred tax liabilities, in respect of the PRC withholding tax that would be payable on the distribution of these profits, have not been recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that such profits will not be distributed in the foreseeable future.

Note:

(i) On 25 June 2024, the Company qualified as Hong Kong resident and the Company is entitled to a reduced dividend withholding tax rate at 5% for 2022 and 2023. The Group reversed PRC dividend withholding tax of RMB90,000,000 in relation to declared dividend distribution out of earnings of PRC subsidiaries of RMB1,800,000,000 in 2022 and 2023 with withholding tax previously recognised at a rate of 10%. The Group has received the tax refund in relation to amount paid in previous years from tax authorities in 2024.

(b) Reconciliation between tax (credit)/expense and accounting profits at applicable tax rates:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations		
Profit before income tax from continuing operations	**866,772**	1,048,633
Tax calculated at domestic income tax rate of 25% (2023: 25%) *(note (i))*	**216,694**	262,158
Effect of different tax rates of certain subsidiaries *(note (ii))*	**(66,217)**	(47,070)
Tax effect of share of results of associates and joint ventures	**(44,998)**	(47,575)
Tax effect of non-taxable income	**(7,852)**	(95,250)
Tax effect of non-deductible expenses	**2,004**	2,627
(Over)/under-provision in prior years	**(86,950)**	2,709
Effects of tax holiday on assessable profits of subsidiaries established in the PRC *(note (iii))*	**(99,747)**	(102,825)
Tax effect of tax losses not recognised	**39,887**	58,246
Utilisation of previously unrecognised tax losses and unrecognised temporary differences	**(3,730)**	(21,293)
Tax effect of temporary differences not recognised	**11,544**	43,235
Recognition of withholding tax in current year	**30,562**	98,863
Income tax	**(8,803)**	153,825

15 INCOME TAX (CREDIT)/EXPENSE *(CONTINUED)*

(b) Reconciliation between tax (credit)/expense and accounting profits at applicable tax rates: *(CONTINUED)*

Notes:

(i) The domestic tax rate (which is PRC corporate income tax rate) in the jurisdiction where the operation of the Group is substantially based is used.

(ii) Certain subsidiaries resided in western China or engaged in high-technology industry are entitled to preferential income tax rate of 9% and 15%, respectively (2023: 9% and 15%, respectively). The tax rate of subsidiaries resided in Hong Kong SAR is 16.5%.

(iii) Certain subsidiaries of the Group established in the PRC are entitled to preferential tax treatments including three years exemption followed by three years of a 50% tax reduction. The first year exemption started from 2019 to 2024 (2023: 2018 to 2023).

(iv) In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") for a new global minimum tax reform applicable to large multinational enterprises. The Group's operations are mainly located in the PRC where Pillar Two income tax legislation is not implemented. In 2024 the Hong Kong SAR Government amended the Inland Revenue Ordinance to introduce a domestic minimum top-up tax which will take effect from the year ended 31 December 2025.The director of the Group is of the opinion the enacted to be implemented will not have a material impact on the consolidated financial statements.

16 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

(i) Profit attributable to ordinary shareholders

	2024			2023		
	Continuing operations	**Discontinued operation**	**Total**	Continuing operations	Discontinued operation	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Profit attributable to ordinary shareholders	**805,133**	**—**	**805,133**	877,502	86,272	963,774

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

16 EARNINGS PER SHARE *(CONTINUED)*

(a) Basic earnings per share *(CONTINUED)*

(ii) Weighted-average number of ordinary shares

	2024	2023
	'000	*'000*
Issued ordinary shares at 1 January	**8,444,719**	8,975,469
Effect of treasury shares *(Note 41)*	**(442,280)**	(533,369)
Weighted-average number of ordinary shares at 31 December	**8,002,439**	8,442,100

(b) Diluted earnings per share

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 from the share award scheme.

(i) Profit attributable to ordinary shareholders (diluted)

	2024			2023		
	Continuing operations	**Discontinued operation**	**Total**	Continuing operations	Discontinued operation	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Profit attributable to ordinary shareholders	**805,133**	**—**	**805,133**	877,502	86,272	963,774

16 EARNINGS PER SHARE *(CONTINUED)*

(b) Diluted earnings per share *(CONTINUED)*

(ii) Weighted-average number of ordinary shares (diluted)

	2024	2023
	'000	*'000*
Weighted average number of ordinary shares	**8,002,439**	8,442,100
Effect of share award scheme	**12,662**	21,432
Weighted average number of ordinary shares (diluted) at 31 December	**8,015,101**	8,463,532

17 DIVIDEND

	2024	2023
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2023 Final — HK$0.035 (2022: HK$0.035) per share	**258,890**	278,487

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2024 of HK$0.035 per ordinary share has been recommended by the directors of the Company and is subject to approval by the shareholders at the forthcoming annual general meeting (2023: final dividend in respect of the year ended 31 December 2023 of HK$0.035 per ordinary share has been recommended by the directors of the Company and approved by the shareholders at the annual general meeting held on 7 June 2024).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

18 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Plant, machinery and equipment	Office furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
As at 1 January 2024	255,600	56,282	16,495,806	129,625	59,563	3,056,511	20,053,387
Additions	—	390	12,657	19,963	10,317	3,019,818	3,063,145
Acquisition of a subsidiary *(Note 43(d))*	12,039	—	48,084	380	220	—	60,723
Transfer from construction in progress	—	2,518	2,196,907	—	—	(2,199,425)	—
Reclassifications	(1,641)	—	1,917	(276)	—	—	—
Reclassifications to assets held for sale *(Note 31(b))*	—	—	(2,574,164)	(391)	(202)	(10,434)	(2,585,191)
Disposals *(Note 43(c))*	—	(793)	(1,860)	(156)	(14,575)	(1)	(17,385)
Disposal of subsidiaries *(Note 43(b))*	—	(10)	(366,874)	(4,011)	(612)	(132,770)	(504,277)
As at 31 December 2024	265,998	58,387	15,812,473	145,134	54,711	3,733,699	20,070,402
Less: accumulated depreciation:							
As at 1 January 2024	34,198	22,841	2,101,314	65,679	30,782	—	2,254,814
Charge for the year	3,870	1,652	796,936	15,201	5,311	—	822,970
Acquisition of a subsidiary *(Note 43(d))*	3,683	—	10,223	358	221	—	14,485
Reclassifications	—	—	—	—	—	—	—
Reclassifications to assets held for sale *(Note 31(b))*	(406)	—	(251,641)	(226)	(99)	—	(252,372)
Disposals *(Note 43(c))*	—	(59)	(264)	(100)	(9,428)	—	(9,851)
Disposal of subsidiaries *(Note 43(b))*	—	(1)	(44,845)	(1,481)	(291)	—	(46,618)
As at 31 December 2024	41,345	24,433	2,611,723	79,431	26,496	—	2,783,428
Less: accumulated impairment loss							
As at 1 January 2024	—	—	—	—	—	39,139	39,139
As at 31 December 2024	—	—	—	—	—	39,139	39,139
Net carrying value:							
As at 31 December 2024	224,653	33,954	13,200,750	65,703	28,215	3,694,560	17,247,835

18 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

	Buildings	Leasehold improvements	Plant, machinery and equipment	Office furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
As at 1 January 2023	428,725	60,076	12,695,294	75,491	74,183	3,325,932	16,659,701
Additions	190,101	4,299	32,231	20,962	29,563	4,546,125	4,823,281
Transfer from construction in progress	—	—	4,763,859	446	—	(4,764,305)	—
Reclassifications	(363,226)	(8,093)	308,192	63,127	—	—	—
Disposals *(Note 43(c))*	—	—	(53,746)	(10,740)	(5,052)	—	(69,538)
Disposal of subsidiaries *(Note 43(b))*	—	—	(1,250,024)	(19,661)	(39,131)	(51,241)	(1,360,057)
As at 31 December 2023	255,600	56,282	16,495,806	129,625	59,563	3,056,511	20,053,387
Less: accumulated depreciation:							
As at 1 January 2023	106,208	27,710	1,497,109	69,407	41,408	—	1,741,842
Charge for the year	5,825	2,819	650,573	8,369	9,168	—	676,754
Reclassifications	(77,835)	(7,688)	85,523	—	—	—	—
Disposals *(Note 43(c))*	—	—	(49,821)	(4,200)	(3,383)	—	(57,404)
Disposal of subsidiaries *(Note 43(b))*	—	—	(82,070)	(7,897)	(16,411)	—	(106,378)
As at 31 December 2023	34,198	22,841	2,101,314	65,679	30,782	—	2,254,814
Less: accumulated impairment loss							
As at 1 January 2023	—	—	—	—	—	41,262	41,262
Disposal of subsidiaries *(Note 43(b))*	—	—	—	—	—	(2,123)	(2,123)
As at 31 December 2023	—	—	—	—	—	39,139	39,139
Net carrying value:							
As at 31 December 2023	221,402	33,441	14,394,492	63,946	28,781	3,017,372	17,759,434

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

18 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

(a) For the above items of property, plant and equipment, except for construction in progress, depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 to 73 years
Leasehold improvements	Over the shorter of useful lives of 5 years and lease terms
Plant, machinery and equipment	20 years
Office furniture and fixtures	3 to 5 years
Motor vehicles	6 to 10 years

(b) During the year ended 31 December 2024, depreciation of RMB2,358,000 (2023: RMB2,529,000) has been capitalised as construction in progress under property, plant and equipment.

(c) As at 31 December 2024, certain buildings and power plant equipment with an aggregate net carrying value of RMB35,760,000 (2023: RMB38,596,000), RMB6,597,595,000 (2023: RMB9,197,018,000), respectively, have been pledged to banks and certain financial institutions to secure banking facilities and other borrowings granted to the Group (Note 35 and Note 36).

19 RIGHT-OF-USE ASSETS

	Power plant equipment	**Leasehold lands**	**Buildings**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024				
Net carrying amount	95,422	847,312	7,211	949,945
As at 31 December 2024				
Net carrying amount	**299,164**	**1,092,903**	**8,247**	**1,400,314**
For the year ended 31 December 2023				
Depreciation charge for the year	19,369	37,236	7,979	64,584
For the year ended 31 December 2024				
Depreciation charge for the year	**17,028**	**48,930**	**12,322**	**78,280**

19 RIGHT-OF-USE ASSETS *(CONTINUED)*

Amounts included in the cash flow statement for leases comprise the following:

	2024	2023
	RMB'000	*RMB'000*
Within operating cash flows	**201**	274
Within investing cash flows	**245,170**	443,063
Within financing cash flows	**48,336**	30,798
Total cash flow for leases *(note (ii))*	**293,707**	474,135

Notes:

(i) During the year ended 31 December 2024, additions to right-of-use assets were RMB611,540,000 (2023: RMB516,798,000).

(ii) These amounts include payments of capital and interest element of lease liabilities, payments for leases of low-value-assets and payments of lease payments on or before lease commencement date (including leasehold land). These amounts could be presented in operating, investing or financing cash flows.

For the years ended 31 December 2024 and 2023, the Group leases various machineries and leasehold lands for its operations. Lease contracts are entered into for fixed term of 2 years to 50 years, and do not contain extension or termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Details of the lease maturity analysis of lease liabilities are set out in Notes 37 and 49(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

20 INTANGIBLE ASSETS

	Goodwill	Other intangible assets	Total
	RMB'000	*RMB'000*	*RMB'000*
Net carrying value as at 1 January 2023	787,716	508	788,224
Amortisation	—	(97)	(97)
Disposal of subsidiaries *(Note 43(b))*	(72,093)	—	(72,093)
Net carrying value as at 31 December 2023	715,623	411	716,034
Addition	**—**	**98**	**98**
Amortisation	**—**	**(97)**	**(97)**
Reclassifications to assets held for sale *(Note 31(b))*	**(50,470)**	**—**	**(50,470)**
Disposal of subsidiaries *(Note 43(b))*	**(5,730)**	**—**	**(5,730)**
Net carrying value as at 31 December 2024	**659,423**	**412**	**659,835**

Goodwill

Goodwill mainly arose from the acquisition of China Wind Power Holdings Limited ("China Wind Power") and its subsidiaries (collectively "China Wind Power Group"), which was completed on 1 August 2007. China Wind Power Group was engaged in investment in wind power plants, engineering, procurement, construction and power plant operations and maintenance.

Upon application of HKFRS 8, *Operating Segment* in 2009, the relevant goodwill was reallocated to the respective groups of CGUs, which represent the lowest level within the Group at which the relevant goodwill is monitored for internal management purposes, and not larger than an operating segment. The reallocation was based on the relative value of the relevant groups of CGUs.

20 INTANGIBLE ASSETS *(CONTINUED)*

Goodwill *(CONTINUED)*

(a) Impairment tests for cash-generating units containing goodwill

The carrying amounts of goodwill are allocated to the groups of CGUs as follows:

	Continuing operations		Discontinued operation
	Investment in wind power plants	Engineering, procurement and construction ("EPC Business") *(note (i))*	Intelligent operation and maintenance *(note (ii))*
	RMB'000	*RMB'000*	*RMB'000*
Cost			
At 1 January 2023	713,813	75,800	60,687
Disposal of subsidiaries *(Note 43(b))*	(11,406)	—	(60,687)
At 31 December 2023 and 1 January 2024	702,407	75,800	—
Disposal of subsidiaries *(Note 43(b))*	(5,730)	—	—
Reclassifications to assets held for sale *(Note 31(b))*	(50,470)	—	—
At 31 December 2024	**646,207**	**75,800**	**—**
Impairments			
At 1 January 2023, 31 December 2023 and 31 December 2024	**—**	**(62,584)**	**—**
Net carrying amount	**646,207**	**13,216**	**—**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

20 INTANGIBLE ASSETS *(CONTINUED)*

Goodwill *(CONTINUED)*

(a) Impairment tests for cash-generating units containing goodwill *(CONTINUED)*

Notes:

(i) The Group has assessed the recoverable amount of goodwill and determined that the goodwill has not been further impaired, apart from the impairment provided for the EPC Business CGUs in the prior year as explained below.

In 2017, the directors of the Company determine that the scale of the EPC Business will be reduced in the foreseeable future and the Group will principally focus on the provision of design and consultancy services. Accordingly, an impairment loss of RMB62,584,000 was recognised in the 2017.

(ii) In November 2023, the Group disposed part of interest in Intelligent operation and maintenance business and the relevant goodwill allocated to Intelligent operation and maintenance CGU was derecognised accordingly.

(b) Key assumptions

The recoverable amount is determined based on fair value less costs to disposal using discontinue cash flow method. These calculations use cash flow projections based on the financial forecast covering the forecast period and pre-tax discount rate applied to the cash flow projections. Cash flows beyond the forecast period were extrapolated using an estimated growth rate. The cash flows and discount rate reflect assumptions that market participants would use when pricing the relevant CGUs. The key assumptions used in estimating the recoverable amount are as follows:

	2024	2023
Investment in wind power plants		
Pre-tax discount rate for operating projects	**15.43%**	16.32%
Pre-tax discount rate for under-construction projects	**16.08%-17.06%**	18.98%
Growth rate in the forecast period	**N/A**	N/A
Engineering, procurement and construction (“EPC Business”)		
Pre-tax discount rate	**15.00**	15.00
Growth rate in the Forecast Period	**N/A**	N/A

20 INTANGIBLE ASSETS *(CONTINUED)*

Goodwill *(CONTINUED)*

(c) Sensitivity analysis

Management have undertaken sensitivity analysis on the impairment loss of goodwill allocated investment on wind power plants CGU. The following analysis demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in pre-tax discount rate and power generation volume, with all other variables held constant, under which no further impairment is required:

— If discount rate applied increased/decreased 1% (2023: 1%) and all other variables were held constant, the Group's recoverable amount of the CGUs as at 31 December 2024 would have decreased/increased by RMB243,028,000/RMB247,093,000 (2023: RMB349,280,000/RMB355,970,000).

— If power generation volume increased/decreased by 5% (2023: 5%) and all other variables were held constant, the Group's recoverable amount of the CGUs as at 31 December 2024 would have increased/decreased by RMB1,875,670,000/RMB1,870,915,000 (2023: RMB2,641,740,000/RMB2,632,480,000).

In view of the directors of the Company, any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the CGUs' carrying amounts to exceed their respective recoverable amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

21 INTERESTS IN ASSOCIATES AND BALANCES WITH ASSOCIATES

The amounts recognised in the consolidated statement of financial position are as follows:

	2024	2023
	RMB'000	*RMB'000*
Non-current assets		
Cost of investment in associates	**720,519**	713,930
Share of post-acquisition results and other comprehensive income, net of dividends received	**41,353**	44,321
Share of net assets of associates *(note (i))*	**761,872**	758,251
Current assets		
Amounts due from associates *(note (ii))*	**1,778**	878
Other receivables from associates *(note (iii))*	**29,382**	23,765
Finance lease receivables	**21,961**	26,128
	53,121	50,771
Less: Allowance for amounts due from associates	**—**	—
	53,121	50,771
Current liabilities		
Amounts due to associates	**(70)**	(70)

(Expressed in RMB unless otherwise indicated)

21 INTERESTS IN ASSOCIATES AND BALANCES WITH ASSOCIATES *(CONTINUED)*

Notes:

(i) As at 31 December 2024 and 2023, particulars of the principal associates are as follows:

Name of associates	Place of establishment and operations and kind of legal entity	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2024	2023	
Fuxin Taihe Wind Power Co., Ltd.*	The PRC, limited company	**30%**	30%	Wind power plant investment and operation
Changtu Liaoneng Xiexin Wind Power Co., Ltd. *	The PRC, Sino-foreign equity joint venture	**25%**	25%	Wind power plant investment and operation
Jilin Province Zhanyu Wind Power Assets Management Co., Ltd. *	The PRC, limited company	**17%**	17%	Wind power plant investment and operation
Chaoyang Century Concord Wanjia Wind Power Co., Ltd. *	The PRC, limited company	**30%**	30%	Wind power plant investment and operation
Daoxian Century Concord Wind Power Co., Ltd. *	The PRC, limited company	**25%**	25%	Wind power plant investment and operation
Daoxian Jingtang Century Concord Wind Power Co., Ltd. *	The PRC, limited company	**25%**	25%	Wind power plant investment and operation
Harbin Maitu Precision Technology Co., Ltd. *	The PRC, limited company	**17%**	17%	Medical research and experimental development
Harbin Beike Health Technology Co., Ltd. *	The PRC, limited company	**20%**	20%	Medical research and experimental development
SYNVISTA ENERGY HOLDINGS PTE. LTD.	Republic of Singapore, Sino-foreign equity joint venture	**25%**	N/A	Investment holding

* The English translation of the names of the subsidiaries are for identification only. The official names of these entities are in Chinese.

21 INTERESTS IN ASSOCIATES AND BALANCES WITH ASSOCIATES *(CONTINUED)*

Notes: (CONTINUED)

(ii) Amounts due from associates represent trade receivables and are unsecured, interest-free and repayable based on terms of the relevant contracts.

The ageing analysis of the above trade receivables net of allowance for credit losses, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**900**	—
Over 1 year	**878**	878
	1,778	878

(iii) Other receivables from associates are unsecured, interest-free, non-trade in nature and repayable on demand.

Summarised aggregate financial information of the Group's interests in all individually immaterial associates that are accounted for using the equity method is as follows:

	2024	2023
	RMB'000	*RMB'000*
Current assets	**1,080,065**	1,112,747
Non-current assets	**1,597,553**	1,639,622
Current liabilities	**(354,614)**	(299,523)
Non-current liabilities	**(528,333)**	(644,526)
Net assets	**1,794,671**	1,808,320

21 INTERESTS IN ASSOCIATES AND BALANCES WITH ASSOCIATES *(CONTINUED)*

Summarised aggregate of profit or loss and other comprehensive income is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue	**320,605**	337,173
Depreciation and amortisation	**(105,959)**	(103,959)
Finance costs	**(27,419)**	(32,174)
Other expenses	**(155,642)**	(145,183)
Profit before income tax	**31,585**	55,857
Income tax expense	**(31,822)**	(25,531)
Profit and other comprehensive income for the year	**(237)**	30,326
Dividend received from the associate during the year	**(14,000)**	(33,753)

Set out below is, in aggregate, the carrying amounts of the Group's interests in all individually immaterial associates that are accounted for using the equity method.

	2024	2023
	RMB'000	*RMB'000*
Aggregate carrying amount of the Group's interests in these associates	**761,872**	758,251
The Group's share of profit and other comprehensive income for the year	**11,152**	17,029

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES

The amounts recognised in the consolidated statement of financial position are as follows:

	2024	2023
	RMB'000	*RMB'000*
Non-current assets		
Cost of investment in joint ventures	**1,767,072**	1,774,455
Share of post-acquisition results and other comprehensive income, net of dividends received	**380,198**	308,026
Share of net assets of joint ventures *(note (i))*	**2,147,270**	2,082,481
Current assets		
Amounts due from joint ventures *(note (v))*	**287,109**	304,949
Current liabilities		
Amounts due to joint ventures	**(52,010)**	(35,574)

(Expressed in RMB unless otherwise indicated)

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES *(CONTINUED)*

Notes:

(i) As at 31 December 2024 and 2023, particulars of the principal joint ventures are as follows:

Name of joint ventures	Place of establishment and operations and kind of legal entity	Proportion of ownership interest held by the Group		Proportion of voting right held by\the Group		Principal activities
		2024	2023	**2024**	2023	
Jilin CWP-Milestone Wind Power Co., Ltd.*	The PRC, limited Company	**49%**	49%	**50%**	50%	Wind power plant investment and operation
Erlianhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd.*	The PRC, limited Company	**49%**	49%	**50%**	50%	Wind power plant investment and operation
Jilin Taihe Wind Power Co., Ltd.*	The PRC, limited Company	**49%**	49%	**50%**	50%	Wind power plant investment and operation
Tongliao Taihe Wind Power Co., Ltd.*	The PRC, limited Company—	**49%**	49%	**50%**	50%	Wind power plant investment and operation
Mengdong Century Concord New Energy Co., Ltd.*	The PRC, limited Company	**32%**	32%	**50%**	50%	Wind and solar power plant investment and operation
Gansu Guazhou Century Concord Wind Power Co., Ltd*.	The PRC, limited Company	**51%**	51%	**50%**	50%	Wind power plant investment and operation
Suzhou Century Concord Wind Power Co., Ltd.*	The PRC, limited Company	**49%**	49%	**50%**	50%	Wind power plant investment and operation
Xiaoxian Century Concord Wind Power Co., Ltd.*	The PRC, limited Company	**49%**	49%	**50%**	50%	Wind power plant investment and operation
Jianghua Yao Autonomous County Century Concord Wind Power Co., Ltd.*	The PRC, limited company	**59%**	59%	**50%**	50%	Wind power plant investment and operation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES *(CONTINUED)*

Notes: (CONTINUED)

(i) As at 31 December 2024 and 2023, particulars of the principal joint ventures are as follows: *(CONTINUED)*

Name of joint ventures	Place of establishment and operations and kind of legal entity	Proportion of ownership interest held by the Group		Proportion of voting right held by\the Group		Principal activities
		2024	2023	**2024**	2023	
Jingmen Century Concord Wind Power Co., Ltd.	The PRC, limited Company	**59%**	59%	**50%**	50%	Wind power plant investment and operation
Hebi Century Junlong Wind Power Co., Ltd.*	The PRC, limited Company	**59%**	59%	**50%**	50%	Wind power plant investment and operation
Yantai Yihao New Energy Development Co., Ltd.*	The PRC, limited Company	**49%**	49%	**50%**	50%	Wind power plant investment and operation
Xiangyang Yulong Wind Power Co.,Ltd.*	The PRC, limited Company	**49%**	49%	**50%**	50%	Wind power plant investment and operation
Binxian Century Concord Wind Power Co., Ltd.* ("Binxian Century") *(note (ii))*	The PRC, limited Company	**49%**	49%	**40%**	40%	Wind power plant investment and operation
Beijing Century Concord Operation and Maintenance Co., Ltd.* *(note (iii))*	The PRC, limited Company	**33%**	33%	**40%**	40%	Wind power plant operation and maintenance
Siwei Energy (Wuhan) Technology Co., Ltd.* ("Siwei (Wuhan)") *(note (iv))*	The PRC, limited Company	**49%**	100%	**49%**	100%	Sales of energy storage system equipment
Green Vantage Investment Pte. Ltd	Republic of Singapore, Sino- foreign equity joint venture	**49%**	N/A	**49%**	N/A	Investment holding

* The English translation of the names of the subsidiaries are for identification only. The official names of these entities are in Chinese.

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES *(CONTINUED)*

Notes: (CONTINUED)

(ii) During the year ended 31 December 2023, the Group entered into a series of share transfer agreements and finally disposed of 51% equity interests in Binxian Century, a subsidiary of the Group, to a third party, which is independent to the Group. The Group lost control of Binxian Century with remaining 49% equity interest and ceased to consolidate Binxian Century in consolidated financial statements. Under the joint venture agreement, at least two-thirds of the voting rights are required for decision on directing the relevant activities of Binxian Century, the directors are of the opinion that the Group's interest in Binxian Century is accounted for as a joint venture.

(iii) During the year ended 31 December 2023, Beijing Juyang Juhe Solar Power Technology Development Co., Ltd., a subsidiary of the Group, entered into the share transfer agreement with Xizang Dingyu Century Concord New Energy Development Co., Ltd., which is controlled by a connected person of the Company, to sell 28.75% shareholding interests in the Group's subsidiary, Beijing Century Concord Operation and Maintenance Co., Ltd. ("Century Concord O&M"). Also, Century Concord Wind Power Investment Co., Ltd., another subsidiary of the Group, entered into the share transfer agreement with another third party, Shanxi Juhua Investment Co., Ltd, to dispose 100% interests in Xizang Jingwei Century Concord New Energy Investment Co., Ltd., which held 10% interests in Century Concord O&M. The Group previously held 72% shareholding interests in Century Concord O&M before the above-mentioned transactions.

After the above transactions, the Group lost control of Century Concord O&M with remaining 33.25% equity interests in Century Concord O&M and the 46.75% and 20% equity interests in Century Concord O&M were held by an entity controlled by a connected person of the Company and two third parties which are independent to the Group, respectively. Under the joint venture agreement, at least three- fifths of the voting rights are required for decision on directing the relevant activities of Century Concord O&M, the directors are of the opinion that the Group's interest in Century Concord O&M is accounted for as a joint venture.

(iv) During the year ended 31 December 2024, the Group entered into a series of share transfer agreements and finally disposed of 51% equity interests in Siwei (Wuhan), a subsidiary of the Group, to an associate of the Group. The Group lost control of Siwei (Wuhan) with remaining 49% equity interest and cease to consolidate Siwei (Wuhan) in consolidated financial statements. Under the joint venture agreement, at least two-thirds of the voting rights are required for decision on directing the relevant activities of Siwei (Wuhan), the directors are of the opinion that the Group's interest in Siwei (Wuhan) is accounted for as a joint venture (see Note 43(b)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES *(CONTINUED)*

Notes: (CONTINUED)

(v) Amounts due from joint ventures included trade receivables from joint ventures amounted RMB2,756,000 (2023: RMB900,000), which were netted of impairment loss of nil (2023: RMB nil), are unsecured, interest-free and repayable according to the terms of the relevant contracts. The remaining balances of RMB284,353,000 (2023: RMB304,049,000) are unsecured, interest-free and repayable on demand.

The movements in the impairment loss on trade receivables from joint ventures during the year are as follows:

	Lifetime ECL (credit-impaired) 2024	Lifetime ECL (credit-impaired) 2023
	RMB'000	*RMB'000*
At 1 January	**—**	—
Impairment loss reversed during the year, net	**—**	—
At 31 December	**—**	—

An aging analysis of the above trade receivables from joint ventures, net of allowance for credit losses based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**2,756**	900
3 to 6 months	**—**	—
	2,756	900

Summarised financial information of joint ventures

Set out below is the summarised unaudited financial information for Century Concord O&M, a principal joint venture of the Group in the opinion of the directors of the Company, prepared under HKFRSs which is accounted for using the equity method.

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES *(CONTINUED)*

Century Concord O&M

Summarised statement of financial position

	2024	2023
	RMB'000	*RMB'000*
Current assets	**631,770**	543,016
Non-current assets	**114,811**	114,678
Current liabilities	**(509,347)**	(462,449)
Non-current liabilities	**(34,965)**	(59,393)
Net assets	**202,269**	135,852
Attributable to:		
Equity shareholders	**199,712**	135,269
Non-controlling interests	**2,557**	583
Total equity	**202,269**	135,852

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES *(CONTINUED)*

Century Concord O&M *(CONTINUED)*

Summarised statement of profit or loss and other comprehensive income

	2024	For the period from 1 December 2023 to 31 December 2023
	RMB'000	*RMB'000*
Revenue	**846,312**	82,186
Depreciation and amortisation	**(10,981)**	(1,027)
Finance costs	**(17,049)**	(2,080)
Other expenses	**(748,359)**	(79,466)
Profit/(loss) before income tax	**69,923**	(387)
Income tax expense	**(5,202)**	8,859
Profit and other comprehensive income for the year	**64,721**	8,472
Profit and other comprehensive income for the year attributable to equity shareholders	**64,443**	8,472
Dividend received from the joint venture during the year	**—**	—
Share of profit and other comprehensive income by the Group	**21,427**	2,817

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES *(CONTINUED)*

Century Concord O&M *(CONTINUED)*

Summarised statement of profit or loss and other comprehensive income *(CONTINUED)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2024	2023
	RMB'000	*RMB'000*
Total equity of Century Concord O&M attributable to equity shareholders as at 31 December	**199,712**	135,269
The Group's shareholding in Century Concord O&M	**33.25%**	33.25%
The Group's share of net assets of Century Concord O&M	**66,404**	44,977
Impact of fair value adjustment	**65,998**	65,998
Carrying amount of the Group's interest in Century Concord O&M	**132,402**	110,975

The Group's other joint ventures are involved in wind power plant investments and operations and related activities in the PRC, and each joint venture involved in wind power plant investments and operations has similar risks and returns. Accordingly, the directors of the Company have considered that it is appropriate to aggregate the disclosures in accordance with HKFRS 12 Disclosure of Interests in Other Entities and present the summarised financial information of the Group's joint ventures engaged in the same principal activities on an aggregate basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES *(CONTINUED)*

Summarised aggregate financial information of the Group's joint ventures engaged in wind and solar power plant investments and operations is as follows:

	2024	2023
	RMB'000	*RMB'000*
Current assets	**2,910,602**	2,696,304
Non-current assets	**6,047,118**	6,738,583
Current liabilities	**(1,083,987)**	(1,413,941)
Non-current liabilities	**(3,639,241)**	(3,842,279)
Net assets	**4,234,492**	4,178,667

The above amounts of assets and liabilities include the following:

	2024	2023
	RMB'000	*RMB'000*
Cash and cash equivalents	**253,312**	357,726
Current financial liabilities (excluding trade payables and other payables)	**(621,936)**	(1,012,222)
Non-current financial liabilities	**(3,616,611)**	(3,824,001)

22 INTERESTS IN JOINT VENTURES AND BALANCES WITH JOINT VENTURES *(CONTINUED)*

Summarised aggregate financial information of the Group's joint ventures engaged in wind and solar power plant investments and operations is as follows: *(CONTINUED)*

	2024	2023
	RMB'000	*RMB'000*
Revenue	**1,274,315**	1,390,549
Depreciation and amortisation	**(535,166)**	(494,039)
Interest expense	**(169,571)**	(154,408)
Other expenses	**(231,802)**	(302,862)
Profit before income tax	**337,776**	439,240
Income tax expense	**(49,888)**	(75,136)
Net profit and other comprehensive income for the year	**287,888**	364,104
Dividend received from these joint ventures during the year	**34,331**	59,933

Set out below is the carrying amounts of the Group's interests in another individually immaterial joint venture that is accounted for using the equity method.

	2024	2023
	RMB'000	*RMB'000*
Aggregate carrying amount of the Group's interests in a joint venture	**19,215**	—
The Group's share of profit and other comprehensive income for the year	**2,349**	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RMB'000	*RMB'000*
Unlisted equity securities, at fair value *(note (i))*	**180,890**	69,659
Listed equity securities, at fair value *(note (ii))*	**—**	99,538
	180,890	169,197
Analysed for reporting purpose as:		
Current assets	**55,733**	154,451
Non-current assets	**125,157**	14,746
	180,890	169,197

Note:

(i) The unlisted equity securities represent investment in equity securities issued by private entities established and operate in the PRC and North America.

(ii) The Group disposed all listed equity securities with a total consideration of RMB99,445,000 on the Stock Exchange.

24 CONTRACT ASSETS

	2024	2023
	RMB'000	*RMB'000*
Retention receivables	**39,657**	77,009
Contract assets arising from performance under construction contracts	**39,158**	39,166
	78,815	116,175
Impairment loss on contract assets	**—**	—
	78,815	116,175
Analysed for reporting purposes as:		
Current assets	**78,815**	116,175
	78,815	116,175

25 TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables, at amortised cost *(note (i))*	**348,152**	419,792
Tariff adjustment receivables, at amortised cost *(note (ii))*	**1,178,858**	991,170
Bills receivables, at FVTPL *(note (iii))*	**126,546**	9,000
	1,653,556	1,419,962
Impairment loss on trade receivables *(note (i))*	**(4,764)**	(4,062)
	1,648,792	1,415,900

The Group does not hold any collaterals over trade and bills receivables as security.

Details of impairment assessment of trade receivables for the year ended 31 December 2024 are set out in Note 49(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

25 TRADE AND BILLS RECEIVABLES *(CONTINUED)*

Notes:

(i) Trade receivables

The Group's trade receivables include receivables from the sale of electricity, provision of construction and other services. The Group's credit terms granted to customers ranging from 30 to 180 days. For certain construction projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the contracts signed between the Group and its customers.

Further details on the Group's credit policy and credit risk arising from trade debtors are set out in Note 49(c).

As at 31 December 2024, the ageing analysis of the trade receivables, net of allowance for credit losses, presented based on invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**238,011**	309,013
3 to 6 months	**14,224**	14,975
6 to 12 months	**19,396**	78,845
1 to 2 years	**66,658**	10,850
Over 2 years	**5,099**	2,047
	343,388	415,730

Certain of the Group's bank borrowings (see Note 35) are pledged by the cash receipts from the sale of electricity by certain of the Group's power plants.

25 TRADE AND BILLS RECEIVABLES *(CONTINUED)*

Notes: (CONTINUED)

(ii) Tariff adjustment receivables

An ageing analysis of the tariff adjustment receivables, based on the revenue recognition date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**100,254**	94,055
3 to 6 months	**77,453**	85,296
6 to 12 months	**164,713**	206,635
Over 1 year	**836,438**	605,184
	1,178,858	991,170

Tariff adjustment receivables from the sale of electricity mainly represent receivables from the state grid companies. The collection of the tariff adjustment receivables is subject to settlement by state grid companies upon finalisation of the allocation of funds by relevant PRC government authorities to the state grid companies.

(iii) Bills receivables

As at 31 December 2024, the Group endorsed certain bills receivables accepted by banks in Mainland China (the "Bills") to certain of its suppliers in order to settle the trade payables for these suppliers with amount of RMB159,039,000 (2023: RMB1,200,000). The Bills have a maturity of one to six months at the end of the reporting period. The directors of the Company are of the opinion that the Group has transferred substantially all risks and rewards relating to the Bills. Accordingly, it has derecognised the full carrying amounts of the Bills and the associated liabilities.

All of bills receivables of the Group are with a maturity period of less than one year.

The Group's bills receivables are recognised as financial assets at FVTPL as the bills receivables are held for sale in accordance with HKFRS 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

26 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Prepayments for purchase of property, plant and equipment	**165,621**	285,719
Other prepayments	**261,845**	225,057
Deposits for other borrowings *(Note 36)*	**144,807**	181,164
Other deposits	**114,869**	137,878
Receivables from disposal of subsidiaries	**100,882**	163,438
Receivables from former subsidiaries	**16,402**	22,439
Receivables on disposal of a convertible bond	**—**	24,153
Other receivables	**124,812**	58,079
Deductible VAT *(note (i))*	**1,398,546**	1,450,985
Premium receivables for financial guarantee contracts	**8,546**	12,883
	2,336,330	2,561,795
Loss allowance *(note (ii))*	**(13,590)**	(13,790)
	2,322,740	2,548,005
Less: Non-current portion		
Prepayments for purchase of property, plant and equipment	**165,621**	285,719
Deposits for other borrowings	**144,807**	181,164
Other deposits and prepayments	**38,321**	41,825
Premium receivables for financial guarantee contracts	**4,772**	8,060
Deductible VAT *(note (i))*	**1,044,892**	1,109,953
	1,398,413	1,626,721
Loss allowance *(note (ii))*	**(5,600)**	(5,600)
Non-current portion classified under non-current assets	**1,392,813**	1,621,121
Current portion classified under current assets	**929,927**	926,884

26 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(CONTINUED)*

Notes:

(i) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment

(ii) The movements of the impairment loss are as follows:

	Lifetime ECL (credit-impaired) 2024	Lifetime ECL (credit-impaired) 2023
	RMB'000	*RMB'000*
Continuing operations		
At 1 January	**13,790**	13,790
Impairment recognised during the year, net	**—**	—
Written-off	**(200)**	—
At 31 December	**13,590**	13,790

Details of impairment assessment of other receivables for the year ended 31 December 2024 are set out in Note 49(c).

27 FINANCE LEASE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Analysed for reporting purposes as:		
Current assets	**48,066**	50,293
Non-current assets	**177,746**	269,816
	225,812	320,109

During the year ended 31 December 2024, the Group entered into finance lease arrangements for certain of its machines and equipment. The period of finance leases entered into is ranged from 3 to 11 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

27 FINANCE LEASE RECEIVABLES *(CONTINUED)*

	Minimum lease payments		**Present value of minimum lease payments**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Finance lease receivables comprise:				
Within 1 year	**62,452**	69,897	**48,066**	50,293
1 to 2 years	**60,594**	71,047	**48,984**	53,549
2 to 5 years	**136,944**	193,882	**123,487**	165,182
Over 5 years	**5,528**	55,011	**5,275**	51,085
	265,518	389,837	**225,812**	320,109
Unrealised finance income	**(39,706)**	(69,728)	**N/A**	N/A
	225,812	320,109	**225,812**	320,109

During the year ended 31 December 2024, effective interest rates of the above finance leases range from 5.10% to 9.72% per annum (2023: 5.36% to 9.43%).

Finance lease receivables are secured over the machines and equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

Details of impairment assessment of finance lease receivables for the year ended 31 December 2024 are set out in Note 49(c).

28 LOAN RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Variable-rate loan receivables	**27,848**	48,630
Analysed for reporting purposes as:		
Current assets	**16,175**	17,797
Non-current assets	**11,673**	30,833
	27,848	48,630

During the year ended 31 December 2024, the Group engaged in several sales and leaseback transactions as a buyer-lessor, in which the transfer of assets did not satisfy the requirements of HKFRS 15 to be accounted for as a sale from the point of the view of the lessee. Therefore, the Group recognised the transfer amount as loan receivables.

The exposure of the Group's variable-rate loan receivables to interest rate risks and relevant contractual maturity dates are as follows:

	2024	2023
	RMB'000	*RMB'000*
Variable-rate loan receivables		
Within 1 year	**17,304**	20,200
2 to 5 years	**12,307**	32,988
Over 5 years	**—**	220
	29,611	53,408
Unrealised finance income	**(1,763)**	(4,778)
	27,848	48,630

Details of impairment assessment of loan receivables for the year ended 31 December 2024 are set out in Note 49(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

29 INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Raw materials	—	13,946
Work in progress	2,396	4,142
Spare parts and others	16,821	28,207
	19,217	46,295

The cost of inventories recognised as expense and included in profit or loss amounted to RMB76,301,000 (2023: RMB75,428,000).

30 CASH AND CASH EQUIVALENTS

	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	2,229,188	3,902,924
Restricted deposits *(note)*	(535,354)	(1,457,459)
Cash and cash equivalents	1,693,834	2,445,465

The Group's cash and cash equivalents denominated in foreign currencies, which are not respective entities' functional currencies, are set out below:

	2024	2023
	RMB'000	*RMB'000*
Denominated in:		
— RMB	262	4,325
— HK$	10,373	102
— US$	461,476	420,020
	472,111	424,447

Note: As at 31 December 2024, the restricted deposits mainly represent bank acceptance bill deposits and electricity sale guarantee deposits.

30 CASH AND CASH EQUIVALENTS *(CONTINUED)*

As at 31 December 2024, the weighted average effective interest rate on the Group's bank balances is 0.15% per annum (2023: 0.20%).

31 ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE

In August 2024, the Group committed to a plan to sell its entire equity interests in three subsidiaries within the Power generation segment to a third party (the "Disposal"). On 15 January 2025, 17 January 2025 and 27 January 2025, the Group entered into agreements with ACWA Power (Shanghai) Renewable Energy Co., Ltd. ("ACWA Power"), an independent third party to the Group, pursuant to which the Group has agreed to dispose of its entire entity interest in Yilan County Concord Wind Power Generation Co., Ltd ("Yilan Concord"), Dachaidan Concord Wind Power Generation Co. Ltd ("Dachaidan Concord") and Tonghe County Juting New Energy Co., Ltd ("Tonghe New Energy") to ACWA Power at a consideration of RMB506,107,000, RMB65,000,000 and RMB636,241,000, respectively. The incomes from disposal of the entities will be determined based on the consideration, the net assets of the entities and intra-group balances in 2025.

Accordingly, the assets and liabilities attributable to these three subsidiaries, which are expected to be sold within twelve months, are classified as held for sale in the Group's consolidated statement of financial position.

(a) Impairment losses relating to the disposal subsidiaries

Impairment losses of RMB14,637,000 for write-downs of the disposal subsidiaries to the lower of its carrying amount and its fair value less costs to sell have been included in "other gains and losses, net" (see Note 9). The impairment losses have been applied to reduce the carrying amount of property, plant and equipment of the disposal subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

31 ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE *(CONTINUED)*

(b) Assets and liabilities of disposal subsidiaries classified as held for sale

At 31 December 2024, the assets and liabilities attributable to these three disposal subsidiaries and interests in a joint venture were stated at lower of their carrying amount and fair value less costs to sell and comprised the following items which not including the intra-group balances.

	As at 31 December 2024
	RMB'000
Property, plant and equipment	**2,318,182**
Deferred tax assets	**4,567**
Right-of-use assets	**57,115**
Intangible assets	**50,470**
Trade and bills receivables	**11,750**
Prepayments, deposits and other receivables	**195,061**
Cash and cash equivalents	**59,952**
Interests in a joint venture	**80,818**
Assets held for sale	**2,777,915**
Trade and bills payables	**1,961**
Payables for construction in progress, other payables and accruals	**74,184**
Amounts due to joint ventures	**6,538**
Current income tax liabilities	**4,528**
Bank borrowings	**826,817**
Other borrowings	**1,627,788**
Liabilities held for sale	**2,541,816**

(c) Cumulative income or expenses included in other comprehensive income

There are no cumulative income or expenses included in other comprehensive income relating to the disposal subsidiaries classified as held for sale.

(d) measurement of fair values

The non-recurring fair value measurement for the disposal subsidiaries was based on the consideration negotiated between the Group and ACWA Power, which has been categorised as Level 1 fair value.

32 TRADE AND BILLS PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**276,796**	389,768
Bills payables	**312,218**	1,282,520
	589,014	1,672,288

As at 31 December 2024, retention payables in respect of construction contracts are included in trade payables with amount of RMB156,837,000 (2023: RMB207,197,000) which are normally repayable more than 1 year. The average credit period on purchase of goods is approximately one year (2023: one year).

As at 31 December 2024, the maturity date of bills payables was within 6 months (2023: within 6 and 12 months).

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

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**19,131**	63,919
3 to 6 months	**6,947**	16,794
6 to 12 months	**19,127**	39,047
1 to 2 years	**15,796**	142,370
Over 2 years	**215,795**	127,638
	276,796	389,768

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

33 PAYABLES FOR CONSTRUCTION IN PROGRESS, OTHER PAYABLES AND ACCRUALS

	2024	2023
	RMB'000	*RMB'000*
Payables for construction in progress	2,350,537	3,128,579
Retention payables	726,168	759,860
Deposits received for disposals of subsidiaries	—	2,500
Payables for acquisition of a subsidiary *(Note 43(d))*	12,200	—
Other payables and accruals	193,366	244,148
	3,282,271	4,135,087
Balances repayable after one year and shown under non-current liabilities	(730,050)	(1,050,671)
Current portion classified under current liabilities	2,552,221	3,084,416

34 CONTRACT LIABILITIES

	2024	2023
	RMB'000	*RMB'000*
Construction contracts		
— Billings in advance of performance	25,029	52,496

35 BANK BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Secured	5,304,065	3,287,663
Unsecured	430,492	494,649
Total bank borrowings	5,734,557	3,782,312

35 BANK BORROWINGS *(CONTINUED)*

The secured bank borrowings are secured by certain buildings and power plant equipment of the Group (Note 18), cash receipts from the sale of electricity by certain of the Group's power plants (Note 25) and certain equity interests in subsidiaries.

Certain of the Group's banking facilities are subject to the fulfilment of covenants (Note 49(b)). If the Group were to breach the covenants, the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. As at 31 December 2024, none of the covenants relating to drawn down facilities had been breached (2023: nil).

The carrying amounts of bank borrowings are repayable as follows*:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**924,967**	973,253
Between 1 and 2 years	**393,437**	345,838
Between 2 and 5 years	**1,253,810**	737,722
Over 5 years	**3,162,343**	1,725,499
	5,734,557	3,782,312
Amounts due within one year shown under current liabilities	**(924,967)**	(973,253)
Amounts shown under non-current liabilities	**4,809,590**	2,809,059

* The above amounts due are based on scheduled repayment dates set out in the respective loan agreements.

The interest rate risk exposure of the Group's bank borrowings are as follows:

	2024	2023
	RMB'000	*RMB'000*
Fixed rate bank borrowings	**195,396**	329,499
Variable rate bank borrowings	**5,539,161**	3,452,813
	5,734,557	3,782,312

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

35 BANK BORROWINGS *(CONTINUED)*

The ranges of effective interest rates on the Group's bank borrowings are as follows:

	2024	2023
Effective interest rate:		
Variable rate bank borrowings	**2.20%-5.00%**	2.20%-5.62%
Fixed rate bank borrowings	**2.60%-3.95%**	2.60%-4.49%

The fair values of bank borrowings are estimated using discounted cash flow calculations based on the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debts. The carrying amounts of non-current bank borrowings approximate their fair values at each end of the reporting period.

36 OTHER BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Analysed for reporting purposes as:		
Current liabilities	**1,167,151**	895,844
Non-current liabilities	**9,296,012**	11,856,855
	10,463,163	12,752,699

During the year, the Group has entered into agreements (the "Agreements") with certain PRC financial institutions (the "Financial Institutions") and the Group drew down RMB3,124,024,000 (2023: RMB5,363,406,000) in aggregate from the Financial Institutions of which RMB810,260,000 (2023: RMB579,800,000) was received in the form of bank-acceptance bills. Such borrowings are to be repayable in 2025 to 2041 with variable interest rate ranging from 3.50% to 4.30% per annum (2023: ranging from 4.00% to 5.19% per annum).

36 OTHER BORROWINGS *(CONTINUED)*

The collaterals for other borrowings are as follow:

(i) The Group transferred certain ownership titles of certain property, plant and equipment to the Financial Institutions.

(ii) The Group entered into financial guarantee contracts in favor of the Financial Institutions for the due performance of the Group's obligations under the Agreements.

(iii) Upon the discharging all the Group's obligations under the Agreements, the Financial Institutions will return those ownership titles of property, plant and equipment to the Group for nominal considerations. Despite the Agreements involved a legal form of a lease, the Group accounted for the Agreements as collateralised borrowing in accordance with the actual substance of the Agreements.

(iv) An aggregate amount of security deposits of RMB214,137,000 placed with the Financial Institutions as at 31 December 2024 (2023: RMB250,494,000), of which RMB69,330,000 could be offset with certain repayment instalments as agreed with the Financial Institutions (2023: RMB69,330,000).

(v) Other borrowings are secured by certain equity interests in subsidiaries with an aggregated amount of RMB2,927,380,000 as at 31 December 2024 (2023: RMB3,731,054,000).

The carrying amounts of other borrowings are repayable as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**1,167,151**	895,844
Between 1 and 2 years	**975,764**	1,301,638
Between 2 and 5 years	**2,551,230**	1,018,930
Over 5 years	**5,769,018**	9,536,287
	10,463,163	12,752,699

37 LEASE LIABILITIES

At 31 December, the lease liabilities were repayable as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year or on demand	**33,561**	21,821
Between 1 and 2 years	**32,145**	18,440
Between 2 and 5 years	**57,846**	33,142
Over 5 years	**328,552**	83,904
	452,104	157,307
Less: Amount due for settlement with 12 months shown under current liabilities	**(33,561)**	(21,821)
Amount due for settlement after 12 months shown under non-current liabilities	**418,543**	135,486

38 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Tax payable in the consolidated statement of financial position represents:

	2024	2023
	RMB'000	*RMB'000*
Net tax payable at 1 January	**138,000**	101,719
Provision for the year from continuing operations *(Note 15)*	**50,282**	197,407
Provision for the year from discontinued operation *(Note 5)*	**—**	15,174
Reclassifications to liabilities held for sale *(Note 31(b))*	**(4,528)**	—
Income tax paid	**(133,114)**	(176,300)
Net tax payable at 31 December	**50,640**	138,000

38 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

(b) Deferred taxation

Reconciliation to the consolidated statement of financial position is as follows:

	2024	2023
	RMB'000	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	**61,266**	47,268
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(20,052)**	(57,722)
	41,214	(10,454)

The movements in deferred tax assets and liabilities during the year are as follows:

	Accumulated deductible loss	Unrealised inter-companies gains	Lease liabilities	Intra-group transactions	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	8,875	30,611	—	(93,522)	—	(54,036)
Credited/(debited) to the profit or loss *(Note 15)*	—	7,459	12,644	36,239	(12,760)	43,582
At 31 December 2023 and 1 January 2024	8,875	38,070	12,644	(57,283)	(12,760)	(10,454)
Credited/(debited) to the profit or loss *(Note 15)*	**—**	**21,184**	**54,920**	**37,034**	**(54,053)**	**59,085**
Reclassifications to Assets held for sale *(Note 31(b))*	**—**	**(4,567)**	**—**	**—**	**—**	**(4,567)**
Disposal of subsidiaries *(Note 43(b))*	**—**	**(2,850)**	**—**	**—**	**—**	**(2,850)**
At 31 December 2024	**8,875**	**51,837**	**67,564**	**(20,249)**	**(66,813)**	**41,214**

38 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

(b) Deferred taxation *(CONTINUED)*

At 31 December 2024, the Group had tax losses of RMB311,911,000 (2023: RMB307,897,000) arose in Chinese Mainland that can be carried forward to set off against future taxable income which will expire within 1 to 5 years. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

Such cumulative tax losses will be carried forward and expire in year as follows:

	2024	2023
	RMB'000	*RMB'000*
2024	**—**	54,703
2025	**10,675**	19,502
2026	**42,707**	44,223
2027	**45,355**	68,011
2028	**102,773**	121,458
2029	**110,401**	—
Total unused tax losses	**311,911**	307,897

At 31 December 2024, the Group had estimated unused tax losses of RMB692,835,000 (2023: RMB660,168,000), subject to the agreement of the Inland Revenue Department of Hong Kong, arose in Hong Kong available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

The deferred tax liabilities recognised relate to temporary differences arising from intra-group transactions including the unremitted earnings of joint ventures and associates and the intercompany interest payables from certain PRC subsidiaries to overseas subsidiaries.

As at 31 December 2024, deferred tax liabilities of RMB279,320,000 (2023: RMB270,465,000) have not been recognised for the withholding tax that would be payable on the undistributed retained earnings of subsidiaries of the Group, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

39 DEFERRED GOVERNMENT GRANTS

Government grants are received from the PRC government by the Group in form of financial subsidies for the promotion of the development of renewable energy and investments in the PRC. Government grants from the PRC governments are recognised as deferred income over 20 years based on the expected useful lives of the relevant non-current assets including property, plant and equipment invested in certain areas in the PRC.

The movements in deferred government grant during the year are as follows:

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**4,516**	4,865
Government grants obtained during the year	**100**	—
Credited to profit or loss during the year	**(355)**	(349)
At 31 December	**4,261**	4,516

40 FINANCIAL GUARANTEE CONTRACT LIABILITIES

	2024	2023
	RMB'000	*RMB'000*
Current	**3,774**	4,823
Non-current	**4,772**	8,060
	8,546	12,883

In previous year, the Group disposed its 75% equity interests in certain wholly-owned subsidiaries to independent third parties, and retained the remaining 25% equity interests as interests in associates. Financial guarantees were provided by the Group to certain leasing companies for the associates' finance lease arrangements. In return, these associates shall pay premium to the Group at 2% of the outstanding debt balance under the finance lease arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

40 FINANCIAL GUARANTEE CONTRACT LIABILITIES *(CONTINUED)*

In 2023, the Group disposed of partial shareholding interests in Century Concord O&M and the Group's interest in Century Concord O&M is accounted for as a joint venture after the disposal. Financial Guarantees were provided by the Group to the banks for the joint venture's indebtedness and performance guarantees were provided by the Group to a third-party power company for the joint venture's service agreement, under which, the power plants of the third-party power company operated and maintained by the joint venture shall achieve a specified annual power generation capacity, failing which the Group shall be liable to the third-party power company under the performance guarantee to pay to the third-party power company a penalty representing the shortfall in the power generation capacity multiplied by the agreed price of each unit of power generated. Furthermore, the joint venture has provided the counter-guarantee to the Group to compensate any loss of the Group under the financial guarantees and the performance guarantee as mentioned above, respectively. In return, the joint venture shall pay premium to the Group at 1.5% of the outstanding debt balance under the bank loan arrangements.

The Group has recognised its financial guarantee contract liabilities and corresponding premium receivables based on the fair value of the guarantees provided, equal to the present value of the premium to be received within the leases term.

As at 31 December 2024, the aggregated amount of guarantees was RMB469,789,000 (2023: RMB448,485,000), which represented the amounts (including principal and interests) that could be required to be paid if guarantees were called upon in entirety, of which RMB252,070,000 had been utilised by the associates as at 31 December 2024 (2023: RMB311,269,000).

41 CAPITAL AND RESERVES

(a) Share capital

Ordinary shares issued of HK$0.01 each:

	No. of shares	Nominal value
	000' shares	*RMB'000*
As at 1 January 2023	8,975,469	77,443
Cancellation of ordinary shares *(note (i))*	(530,750)	(4,845)
As at 31 December 2023	8,444,719	72,598
Cancellation of ordinary shares *(note (i))*	**(462,680)**	**(4,208)**
As at 31 December 2024	**7,982,039**	**68,390**

(Expressed in RMB unless otherwise indicated)

41 CAPITAL AND RESERVES *(CONTINUED)*

(a) Share capital *(CONTINUED)*

Note

(i) During the year ended 31 December 2024, the Group repurchased a total of 138,480,000 ordinary shares of the Company from the market for a total consideration of RMB68,117,000. 462,680,000 ordinary shares of the Company with total par value of RMB4,208,000 were cancelled, the related costs of repurchase were RMB254,067,000 and the exceed of costs of repurchase over the par value of the shares of RMB249,859,000 was charged to share premium.

During the year ended 31 December 2023, the Group repurchased a total of 509,560,000 ordinary shares of the Company from the market for a total consideration of RMB301,001,000. 530,750,000 ordinary shares of the Company with total par value of RMB4,845,000 were cancelled, the related costs of repurchase were RMB314,731,000 and the exceed of costs of repurchase over the par value of the shares of RMB309,886,000 was charged to share premium.

(b) Treasury shares

As at 31 December 2024, 75,650,000 ordinary shares are held as treasury shares (2023: 420,750,000 shares).

	No. of shares for the purpose of share award schemes	No. of shares for the purpose of cancellation	Total
	000' shares	*000' shares*	*000' shares*
As at 1 January 2023	150,350	345,390	495,740
Repurchased during the year	—	509,560	509,560
Cancellation of ordinary shares	—	(530,750)	(530,750)
Vested during the year *(Note 42)*	(53,800)	—	(53,800)
As at 31 December 2023	96,550	324,200	420,750
Repurchased during the year	**—**	**138,480**	**138,480**
Cancellation of ordinary shares	**—**	**(462,680)**	**(462,680)**
Vested during the year *(Note 42)*	**(20,900)**	**—**	**(20,900)**
As at 31 December 2024	**75,650**	**—**	**75,650**

41 CAPITAL AND RESERVES *(CONTINUED)*

(b) Treasury shares *(CONTINUED)*

Treasury shares for the purpose of share award schemes

During the year ended 31 December 2015, 151,500,000 ordinary shares were repurchased from market at a price of approximately HK$0.55 per share for a total consideration of RMB66,572,000. And the treasury shares are held for the purpose of the Group's share award scheme (the "Scheme"), of which:

(i) The directors of the Company approved an aggregate number of 61,700,000 shares under such scheme were granted to the relevant participants of the scheme and all of these shares have been vested to the relevant participants of the scheme up to 31 December 2018.

(ii) On 4 April 2019, the board of directors of the Company approved to grant an aggregate number of 33,000,000 shares under such scheme to two directors. 8,250,000 shares were vested on 15 February 2020, 15 February 2021, 15 February 2022 and 15 February 2023, respectively (see Note 42).

(iii) On 22 April 2019, the board of directors of the Company approved a special share award scheme of 6,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 26 April 2019.

(iv) On 29 April 2020, the board of directors of the Company approved a special share award scheme of 4,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 30 April 2020.

(v) On 18 October 2021, the board of directors approved to grant an aggregate number of 14,000,000 shares under the Scheme to two directors. 3,500,000 shares were vested on 15 February 2022, 3,500,000 shares were vested on 15 February 2023 and 3,500,000 shares were vested on 15 February 2024 (see Note 42).

(vi) On 21 April 2022, the board of directors of the Company approved a special share award scheme of 3,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 10 May 2022.

(vii) On 23 April 2023, the board of directors of the Company approved a special share award scheme of 5,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 24 April 2023 (see Note 42).

41 CAPITAL AND RESERVES *(CONTINUED)*

(b) Treasury shares *(CONTINUED)*

Treasury shares for the purpose of share award schemes *(CONTINUED)*

(viii) On 15 March 2024, the board of directors of the Company approved a special share award scheme of 3,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 15 April 2024 (see Note 42).

On 2 April 2019, the board of directors of the Company resolved to grant an aggregate number of 113,000,000 shares under the Scheme to the employees of the Company.

(i) During the year ended 31 December 2019, 113,000,000 ordinary shares were issued for the purpose of the Group's share award scheme, of which: 28,250,000 shares were vested on 15 February 2020, 24,750,000 shares were vested on 15 February 2021, 23,150,000 shares were vested on 15 February 2022 and 22,650,000 shares were vested on 15 February 2023 (see Note 42).

On 15 October 2021, the board of directors of the Company resolved to grant an aggregate number of 59,100,000 shares under the Scheme to the employees of the Company.

(i) During the year ended 31 December 2022, 57,600,000 ordinary shares were issued for the purpose of the Group's share award scheme. 14,400,000 shares were vested on 15 February 2022, 14,400,000 shares were vested on 15 February 2023 and 14,400,000 shares were vested on 15 February 2024 (see Note 42).

(c) Contributed surplus

Contributed surplus represented the excess of the fair value of the shares of the former holding company acquired pursuant to the group reorganisation in prior years, over the nominal value of the Company's shares issued in exchange thereof.

(d) Other reserves

Other reserves mainly represent share-based payments reserves and included share-based compensations recognised of which the related share options have forfeited after the vesting date or were still not exercised at the expiry date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

41 CAPITAL AND RESERVES *(CONTINUED)*

(e) Retained earnings

Pursuant to the relevant laws in the PRC, each of the subsidiaries established in the PRC is required to allocate 10% of its profit after tax to the statutory reserves fund until such fund reaches 50% of the subsidiaries' registered capital. The statutory reserves fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiaries, provided that such fund is maintained at a minimum of 25% of the subsidiaries' registered capital. As at 31 December 2024, retained earnings of the Group comprised statutory reserves fund amounting to RMB2,617,901,000 (2023: RMB2,230,522,000).

42 SHARE AWARD SCHEMES

According to the share award scheme approved on 15 June 2015 by the board of directors of the Company, under which a part of shares of the Company will be awarded to the Group's employees as an incentive (the "Scheme").

(a) On 4 April 2019, the board of directors approved to grant an aggregate number of 33,000,000 shares under the Scheme to two directors of the Company.

On 2 April 2019, the board of directors of the Company resolved to grant 113,000,000 new awarded shares to not less than 30 selected persons by way of allocate and issue of the new awarded shares pursuant to the specific mandate, out of which (a) 55,600,000 connected new awarded shares will be granted to 12 connected grantees by way of allocating and issue of new shares pursuant to the specific mandate and (b) 57,400,000 non-connected new awarded shares will be granted to not less than 18 non-connected grantees. The resolution was adopted by the special general meeting of shareholders on 20 June 2019.

The vesting dates of the above aggregate 146,000,000 award shares are as follows:

On 15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)	25%

The fair value of the 146,000,000 shares awarded on the grant date was valued at HK$0.3236 to HK$0.3510 each share.

(Expressed in RMB unless otherwise indicated)

42 SHARE AWARD SCHEMES *(CONTINUED)*

(b) On 18 October 2021, the board of directors approved to grant an aggregate number of 14,000,000 shares under the Scheme to two directors.

On 15 October 2021, the board of directors of the Company resolved to grant 59,100,000 new awarded shares to 37 selected persons by way of allocating and issue of the new awarded shares pursuant to the specific mandate, out of which (a) 31,900,000 connected new awarded shares will be granted to 15 connected grantees by way of allocating and issue of new shares pursuant to the specific mandate and (b) 27,200,000 non-connected new awarded shares will be granted to 22 non-connected grantees. The resolution was adopted by the special general meeting of shareholders on 15 December 2021.

The vesting dates of the above aggregate 73,100,000 award shares are as follows:

On 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2024 (or in the event that 15 February 2024 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2025 (or in the event that 15 February 2025 is not a Business Day, the first Business Day thereafter)	25%

The fair value of the 73,100,000 shares awarded on the grant date was valued at HK$0.6950 to HK$0.7876 each share.

17,900,000 shares were vested on 15 February 2024 and 3,000,000 shares were vested on 15 April 2024. The relevant fair value of the vested shares of RMB12,979,000 was released from other reserves to eliminate the related cost of treasury shares of RMB2,979,000. The difference of RMB10,000,000 was credited to share premium.

(Expressed in RMB unless otherwise indicated)

42 SHARE AWARD SCHEMES *(CONTINUED)*

Movements in the number of awarded shares during the year are as follows:

	Number of shares	
	2024	2023
As at 1 January	**35,800,000**	85,100,000
Granted during the year	**3,000,000**	5,000,000
Vested during the year	**(20,900,000)**	(53,800,000)
Forfeited during the year	**(250,000)**	(500,000)
As at 31 December	**17,650,000**	35,800,000

The Group recognised total expenses of RMB5,815,000 (2023: RMB13,377,000) for the year ended 31 December 2024 in relation to the share award schemes.

43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

		2024	2023
	Note	***RMB'000***	*RMB'000*
Profit before income tax		**866,772**	1,157,749
— Continuing operations		**866,772**	1,048,633
— Discontinued operation		**—**	109,116
Adjustments for:			
Finance costs		**683,945**	650,821
Interest revenue		**(41,289)**	(31,047)
Depreciation of property, plant and equipment		**820,612**	674,225
Depreciation of right-of-use assets		**72,019**	58,842
Amortisation of other intangible assets	*20*	**97**	97
Release of deferred government grants	*39*	**(355)**	(349)
Impairment loss recognised on trade receivables		**702**	1,828
Impairment losses on remeasurement of the disposal subsidiaries		**14,637**	—
Fair value changes in financial assets at FVTPL		**(16,287)**	(144)
Share-based compensations	*42*	**5,815**	13,377
Share of profit of associates, net		**(11,152)**	(16,639)
Share of profit of joint ventures, net		**(166,503)**	(172,836)
Gain on disposal/liquidation of subsidiaries, net		**(32,202)**	(482,026)
Gain on disposal an associate, net	*9*	**—**	(62)
Exchange loss/(gain), net	*9*	**144**	(6,346)
Loss/(gain) on disposal of property, plant and equipment		**1,839**	(2,558)
Operating profit before working capital changes:		**2,198,794**	1,844,932
Increase in inventories		**(106,474)**	(26,499)
Increase in trade and bills receivables		**(436,108)**	(399,409)
Increase in prepayments, deposits and other receivables		**(2,221)**	(359,053)
Decrease in contract assets		**37,360**	86,697
Decrease in loan receivables		**20,782**	12,957
Decrease/(increase) in finance lease receivables		**94,297**	(122,517)
(Increase)/decrease in amounts due from associates		**(2,350)**	33,631
Increase in amounts due from joint ventures		**(1,166)**	(125,364)
Increase in deferred government grants		**100**	—
Increase in trade and bills payables		**421,295**	478,897
Increase in other payables and accruals		**104,123**	306,192
Decrease in contract liabilities		**(27,467)**	(6,829)
Increase in amounts due to joint ventures		**22,974**	35,418
Decrease in amounts due to associates		**—**	(2,119)
Cash generated from operations		**2,323,939**	1,756,934

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(CONTINUED)*

(b) Disposal/liquidation of subsidiaries

During the year ended 31 December 2024, the Group disposed certain equity interests in its subsidiaries to independent third parties with the net gain on disposal/liquidation of subsidiaries as follows:

	2024	2023
	RMB'000	*RMB'000*
Consideration and subsequent adjustment:		
Disposal of subsidiaries	**247,327**	470,590
Less: Carrying amounts of net assets of subsidiaries disposed of:		
Right-of-use assets	**25,775**	61,477
Property, plant and equipment	**457,659**	1,251,556
Interests in associates	**—**	6,900
Inventories	**133,552**	39,400
Trade and bills receivables	**308,310**	351,738
Contract assets	**—**	3,856
Prepayments deposits and other receivables	**55,602**	272,041
Amounts due from associates	**—**	1,433
Amounts due from joint ventures	**—**	8,224
Deferred tax assets	**2,850**	—
Cash and cash equivalents	**272,814**	161,116
Other borrowings	**(334,374)**	(1,262,178)
Bank borrowings	**—**	(153,531)
Trade payables	**(532,306)**	(69,179)
Amounts due to associates	**—**	(351)
Other payables and accruals	**(103,825)**	(254,658)
Lease liabilities	**(42,405)**	(10,036)
Non-controlling interests	**—**	(35,503)
	243,652	372,305
Realised profits on transactions between the Group and these subsidiaries	**15,042**	92,470
Fair value of interests retained as joint ventures *(Note 22)*	**19,215**	363,364
Goodwill released upon disposal *(Note 20 (a))*	**(5,730)**	(72,093)
Gain on disposal/liquidation of subsidiaries, net *(Note 9)*	**32,202**	482,026

43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(CONTINUED)*

(b) Disposal/liquidation of subsidiaries *(CONTINUED)*

Net cash inflow arising on the disposal and liquidation:

	2024	2023
	RMB'000	*RMB'000*
Consideration received	**216,838**	406,516
Cash and cash equivalents derecognised from the consolidated financial statements	**(272,814)**	(161,116)
	(55,976)	245,400
Net cash inflow for consideration of prior year's disposals during the current year	**108,088**	53,247
	52,112	298,647

(c) Disposal of property, plant and equipment

An analysis of the cash proceeds from the disposal of property, plant and equipment is as follows:

	2024	2023
	RMB'000	*RMB'000*
Net carrying amount	**7,534**	12,134
(Loss)/gain on disposal of property, plant and equipment	**(1,839)**	2,558
Consideration for the disposal	**5,695**	14,692
Consideration not yet received and recorded in other receivables	**—**	—
Net cash proceeds received	**5,695**	14,692

43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(CONTINUED)*

(d) Acquisition of a subsidiary

On 4 September 2024, the Group acquired 100% equity interest in one entity, engaged in operation of hotel, from three individuals independent to the Group.

An analysis of the cash flows in respect of the above-mentioned acquisition is as follows:

	Total
	RMB'000
Fair value of identifiable net assets	49,500
Total consideration	49,500
Payables for acquisitions of a subsidiary	(12,200)
Total consideration paid in cash	37,300
Cash and cash equivalents in the subsidiary acquired	(13,555)
	23,745

Goodwill arising from the acquisition has been recognised as follows:

	Total
	RMB'000
Consideration transferred	49,500
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities	—
Fair value of pre-existing interest	—
Fair value of identifiable net assets	(49,500)
Goodwill	—

The acquisition-related costs were charged directly to consolidated statement of profit or loss for the year ended 31 December 2024. From the acquisition date to 31 December 2024, the acquired subsidiary contributed total revenue of RMB770,000 and net loss of RMB1,638,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

44 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings *(Note 35)*	Other borrowings *(Note 36)*	Lease liabilities *(Note 37)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	3,782,312	12,752,699	157,307	16,692,318
Changes from financing cash flows:				
Proceeds from bank borrowings	4,131,011	—	—	4,131,011
Repayment from bank borrowings	(1,359,580)	—	—	(1,359,580)
Proceeds from other borrowings	—	2,313,764	—	2,313,764
Repayment of other borrowings	—	(3,470,399)	—	(3,470,399)
Repayment of lease liabilities	—	—	(31,972)	(31,972)
Interest paid	(194,355)	(497,528)	(16,364)	(708,247)
Addition of lease liabilities	—	—	366,371	366,371
Exchange differences	3,256	—	775	4,031
Disposal/liquidation of subsidiaries	—	(334,374)	(42,405)	(376,779)
Bills received	—	810,260	—	810,260
Reclassifications to liabilities held for sale *(Note 31(b))*	(826,817)	(1,627,788)	—	(2,454,605)
Interest expenses *(Note 13)*	198,730	516,529	18,392	733,651
At 31 December 2024	5,734,557	10,463,163	452,104	16,649,824

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

44 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES *(CONTINUED)*

	Bank borrowings *(Note 35)*	Other borrowings *(Note 36)*	Senior notes	Lease liabilities *(Note 37)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	2,264,927	11,056,216	618,905	112,250	14,052,298
Changes from financing cash flows:					
Proceeds from bank borrowings	3,115,298	—	—	—	3,115,298
Repayment from bank borrowings	(1,455,713)	—	—	—	(1,455,713)
Proceeds from other borrowings	—	4,783,606	—	—	4,783,606
Repayment of other borrowings	—	(2,402,934)	—	—	(2,402,934)
Repayment of lease liabilities	—	—	—	(17,423)	(17,423)
Repayment of senior notes	—	—	(618,453)	—	(618,453)
Interest paid	(121,145)	(563,602)	(35,322)	(13,375)	(733,444)
Addition of lease liabilities	—	—	—	73,735	73,735
Exchange differences	11,069	—	(183)	1,031	11,917
Disposal/liquidation of subsidiaries	(153,531)	(1,262,178)	—	(10,036)	(1,425,745)
Bills received	—	579,800	—	—	579,800
Interest expenses *(Note 13)*	121,407	561,791	35,053	11,125	729,376
At 31 December 2023	3,782,312	12,752,699	—	157,307	16,692,318

45 MAJOR NON-CASH TRANSACTIONS

(a) During the year ended 31 December 2024, the Group entered into financing arrangements with the Financial Institutions in respect of property, plant and equipment and drew down an aggregate amount of RMB3,124,024,000 (2023: RMB5,363,406,000) from the Financial Institutions, of which RMB810,260,000 (2023: RMB579,800,000) was received in the form of bills. Further details of the financing arrangements are set out in Note 36.

(b) During the year, the Group settled certain payables in the form of bills amounted to RMB1,415,677,000 (2023: RMB1,279,504,000).

46 COMMITMENTS

Capital expenditure:

	2024	2023
	RMB'000	*RMB'000*
Contracted for but not provided in these consolidated financial statements:		
Property, plant and equipment	**2,680,010**	2,889,393

Investment commitments:

As at 31 December 2024 and 2023, the Group has no investment commitments.

47 RELATED PARTY TRANSACTIONS

(a) Save as disclosed elsewhere in these consolidated financial statements, the following material transactions were carried out by the Group with related parties during the year:

	2024	2023
	RMB'000	*RMB'000*
Provision of services and sales of goods to associates and joint ventures *(note (i))*	**13,083**	34,802
Guarantee income and interest income from associates and a joint venture *(note (ii))*	**13,612**	8,625
Finance lease income of associates and a joint venture *(note (iii))*	**4,429**	3,180
Services received from a joint venture	**154,873**	34,462

Notes:

(i) The terms and conditions of sales of goods and provision of services were mutually agreed by both parties.

(ii) Further details of these guarantees are set out in Note 40.

(iii) Finance lease income arose from associates and a joint venture with interest rate ranging from 5.3% to 8.5% per annum during the year.

47 RELATED PARTY TRANSACTIONS *(CONTINUED)*

(b) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The total remuneration of the key management personnel is shown below:

	2024	2023
	RMB'000	*RMB'000*
Salaries and other short-term employee benefits	**50,911**	45,741
Share-based compensation	**2,891**	6,869
	53,802	52,610

(c) Applicability of the Listing Rules relating to connected transactions

The related party transaction in Note 47(a) above include connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. These transactions are also disclosed in the Report of the Directors as required by Chapter 14A of the Listing Rules.

48 CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of each of the categories of financial instruments at the end of each reporting period are as follows:

	2024	2023
	RMB'000	*RMB'000*
Financial assets		
Fair value through profit or loss	**340,715**	228,630
Amortised cost	**4,574,415**	6,212,949
Financial liabilities		
Amortised cost	**20,069,005**	22,342,386
Financial guarantee contract liabilities *(Note 40)*	**8,546**	12,883

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities exposed it to a variety of financial risks. The management periodically analyses and reviews measures to manage its exposure to market risk (including foreign exchange risk, cashflow and fair value interest rate risk and other price risk), liquidity risk and credit risk. Generally, the Group applies a conservative strategy regarding its risk management and has not used any derivatives or other instruments for hedging purposes.

As at 31 December 2024, the Group's major financial instruments include trade and bills receivables, deposits and other receivables, financial assets at FVTPL, loans receivable, financial lease receivables, and account balances with associates and joint ventures, cash and cash equivalents, restricted deposits, trade and bills payables, lease liabilities, payables for construction in progress, other payables and accruals, bank borrowings, and other borrowings. Details of these financial instruments are disclosed in respective notes.

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises from monetary assets and liabilities denominated in foreign currencies.

The Group operates mainly in Singapore, the PRC, North America and Hong Kong. Majority of revenue and cost of goods sold and operations are denominated in Renminbi ("RMB"). Almost all of the revenue and costs are denominated in the group entities' respective functional currencies.

The Group is exposed to foreign currency risk primarily with respect to the changes of exchange rate of US$ and HK$, which is pegged with US$, against RMB, which is the functional currency of most of the Group's operating subsidiaries. As at 31 December 2024, recognised assets that are denominated in a currency that is not the entities' functional currency include cash and cash equivalents (see Note 30).

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in RMB to US$/HK$ exchange rates ("RMB — US$/HK$"), with all other variables held constant, of the Group's profit after tax due to changes in the carrying value of monetary assets and liabilities.

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Market risk *(CONTINUED)*

(i) Foreign exchange risk (CONTINUED)

	2024 Increase/ (decrease) in profit after tax	2023 Increase/ (decrease) in profit after tax
	RMB'000	*RMB'000*
RMB — US$/HK$		
Appreciation of RMB by 5%	**(23,573)**	(15,545)
Depreciation of RMB by 5%	**23,573**	15,545

(ii) Cashflow and fair value interest rate risk

Cashflow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate as it is issued at fixed interest rates.

The Group's cashflow interest rate risk arises from bank balances, loans to joint ventures, bank borrowings and other borrowings. Borrowings issued at variable rates expose the Group to cashflow interest rate risk which is partially offset by bank balances held at variable rates.

The Group's exposure to the risk of changes in market interest rates relates primarily due to the Group's bank balances, interest-bearing bank borrowings and interest-bearing other borrowings with a floating interest rate. The effective interest rates and terms of repayment of the interest-bearing bank borrowings and other borrowings of the Group are disclosed in Note 35 and Note 36, respectively. No sensitivity analysis has been presented for the exposure to interest rates for bank balances as the directors of the Company consider that, taking into account that the fluctuation in interest rates on bank balances is minimal, the impact of profit or loss both for the current and prior years is insignificant.

The following analysis demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rates for floating rate bank borrowings and other borrowings, with all other variables held constant.

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(a) Market risk *(CONTINUED)*

(ii) Cashflow and fair value interest rate risk (CONTINUED)

If interest rates had been 50 basis points (2023: 50 basis points) higher/lower and all other variables were held constant, the Group's profit after tax for the year ended 31 December 2024 would have decreased/increased by RMB70,997,000 (2023: RMB71,030,000).

The above sensitivity analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

As at 31 December 2024, the Group is exposed to fair value interest rate risk in relation to financial assets at FVTPL. No sensitivity analysis has been presented as the directors of the Company consider that the impact on profit or loss for both the current and prior years is insignificant.

(iii) Other price risk

The Group is exposed to other price risk because the fair value of certain financial assets at fair value through profit or loss are measured by reference to quoted prices. Details of the financial assets at fair value through profit or loss are set out in Note 23.

The Group currently does not have a policy to hedge the other price risk. However, the management closely monitors such risk by maintaining a portfolio of investments with different risks.

(b) Liquidity risk

The Group monitors and maintains a level of cash reserves and banking facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows and match maturity profiles of financial assets and liabilities. In addition to the currently available facilities, the management of the Group expects that further banking facilities will be available by pledging those newly-completed power plant equipment.

As disclosed in Note 35, certain of the Group's banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested at any time throughout the loan term, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. Information about the covenants for those bank loans classified as non-current at the end of the reporting period is set out below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(b) Liquidity risk *(CONTINUED)*

Carrying amount 2024	Carrying amount 2023	Covenants	Timing to comply with the covenants
RMB'000	*RMB'000*		
592,000	588,000	(i) Total debt to total asset ratio shall be less than 85%; (ii) Current ratio shall be higher than 50%; (iii) Contingent liabilities to net assets ratio shall be less than 30%; and (iv) Long-term investment to net assets ratio shall be less than 30%.	At any time throughout the loan term
449,664	408,790	(i) Total debt to total asset ratio shall be less than 80%; (ii) Current ratio shall be higher than 33%; (iii) Contingent liabilities to net assets ratio shall be less than 30%; and (iv) Long-term investment to net assets ratio shall be less than 30%.	At any time throughout the loan term
213,115	196,800	Total debt to total asset ratio shall be less than 80%.	At any time throughout the loan term
365,100	395,000	(i) Total debt to total asset ratio shall be less than 80%; and (ii) Current ratio shall be higher than 80%.	At any time throughout the loan term
270,000	—	(i) Total debt to total asset ratio shall be less than 80%; and (ii) Current ratio and quick ratio shall be higher than 80%.	At any time throughout the loan term
169,140	—	Total debt to total asset ratio shall be less than 85%.	At any time throughout the loan term
100,000	—	Total debt to total asset ratio shall be less than 80%.	At any time throughout the loan term
2,159,019	1,588,590		

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(b) Liquidity risk *(CONTINUED)*

The table below analyses the financial liabilities of the Group into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities based on earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

As at 31 December 2024

	Weighted average effective interest rate	On demand or less than 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total undiscounted cashflows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	N/A	338,296	250,718	—	—	589,014	589,014
Payables for construction in progress, other payables and accruals	N/A	1,900,840	651,381	399,724	330,326	3,282,271	3,282,271
Amounts due to joint ventures	N/A	18,953	31,706	1,196	155	52,010	52,010
Amounts due to associates	N/A	—	—	70	—	70	70
Bank borrowings	2.20%-5.00%	564,550	681,973	569,548	5,376,114	7,192,185	5,734,557
Other borrowings	3.50%-4.30%	780,413	819,477	1,102,813	9,985,015	12,687,718	10,463,163
Lease liabilities	3.10%-6.61%	27,543	24,533	49,878	550,754	652,708	452,104
		3,630,595	2,459,788	2,123,229	16,242,364	24,455,976	20,573,189
Financial guarantee issued							
Maximum amount guaranteed (Note 40)	N/A	469,789	—	—	—	469,789	8,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(b) Liquidity risk *(CONTINUED)*

As at 31 December 2023

	Weighted average effective interest rate	On demand or less than 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total undiscounted cashflows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	N/A	1,346,955	325,333	—	—	1,672,288	1,672,288
Payables for construction in progress, other payables and accruals	N/A	2,347,445	736,971	402,766	647,905	4,135,087	4,135,087
Amounts due to joint ventures	N/A	35,574	—	—	—	35,574	35,574
Amounts due to associates	N/A	70	—	—	—	70	70
Bank borrowings	2.20%-5.62%	632,529	431,229	406,932	3,035,085	4,505,775	3,782,312
Other borrowings	3.90%-5.66%	705,294	457,782	1,853,979	15,372,676	18,389,731	12,752,699
Lease liabilities	3.45%-5.35%	11,102	11,103	23,636	173,491	219,332	157,307
		5,078,969	1,962,418	2,687,313	19,229,157	28,957,857	22,535,337
Financial guarantee issued							
Maximum amount guaranteed *(Note 40)*	N/A	448,485	—	—	—	448,485	12,883

The amounts included above of variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimate of interest rates determined at the end of the reporting period.

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee.

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(c) Credit risk and impairment assessment

As at 31 December 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties or debtors provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position, and the amount of financial guarantees provided by the Group as disclosed in Note 40.

As at 31 December 2024, the Group generally does not hold collateral or other credit enhancements to cover its credit risks associated with its financial assets, except for financial lease receivables and loan receivables whose credit loss can be mitigate by the underlying leased assets.

The Group's credit risk primarily attributable to its trade and other receivables, contract assets and amounts due from associates and joint ventures which is arose during the normal course of the Group's business operations. The Group has set policies in place to review the recoverability of these receivables on an ongoing basis and assess the adequacy of provision for impairment.

For trade receivables, the management of the Group limit credit risk by assessing the credit quality of the customers, perform ongoing credit evaluation taking into account its financial position, past trade experience and other factors. The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 180 days. Each customer has a maximum credit limit. The Group has concentration of credit risk because trade receivables from its top five customers accounted for 54% (2023: 42%) of the Group's trade receivables as at 31 December 2024.

For the amounts due from associates and joint ventures, financial positions of the associates and joint ventures are regularly monitored in order to minimize the credit risk associated with receivables due from associates and joint ventures.

The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by management. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances based on provision matrix or individually and other debtors individually. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risks of the Group's bank balances are limited because these balances are placed with reputable financial institutions.

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(c) Credit risk and impairment assessment *(CONTINUED)*

The credit risks on financial guarantee provided by the Group and finance lease receivables are limited as the counterparties have no default in the past and the management of the Group does not expect any loss arising from non-performance by these counterparties.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables, contract assets and finance lease receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL — not credit — impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit — impaired	Lifetime ECL — not credit — impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit — impaired	Lifetime ECL — credit — impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(c) Credit risk and impairment assessment *(CONTINUED)*

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount
			RMB'000
Financial assets at amortised costs			
Trade receivables *(Note 25)*			
— Sale of electricity	Low risk *(note (b))*	Lifetime ECL	**1,178,858**
— Others	Low risk *(note (b))*	Lifetime ECL	**343,388**
	Loss	Credit-impaired	**4,764**
			1,527,010
Other receivables *(Note 26)*	Low risk *(note (a))*	12-month ECL	**501,054**
	Loss	Credit-impaired	**718**
			501,772
Amounts due from associates *(Note 21)*			
— trade nature	Low risk *(note (b))*	Lifetime ECL (not credit-impaired)	**1,778**
— non-trade nature	Low risk *(note (a))*	12-month ECL	**29,382**
— Finance lease receivables	Low risk	Lifetime ECL (not credit-impaired)	**21,961**
			53,121
Amounts due from joint ventures *(Note 22)*			
— trade nature	Low risk *(note (b))*	Lifetime ECL (not credit-impaired)	**104,047**
— non-trade nature	Low risk *(note (a))*	12-month ECL	**183,062**
			287,109
Loans receivable *(Note 28)*	Low risk *(note (a))*	12-month ECL	**27,848**
Cash and cash equivalents *(Note 30)*	Low risk	12-month ECL	**1,693,834**
Restricted deposits *(Note 30)*	Low risk	12-month ECL	**535,354**
Other items:			
Contract assets *(Note 24)*	Low risk *(note (b))*	Lifetime ECL (not credit-impaired)	**78,815**
Finance lease receivables *(Note 27)*	Low risk *(note (b))*	Lifetime ECL (not credit-impaired)	**225,812**
Premium receivable for financial guarantee contracts *(Note 40)*	Low risk *(note (b))*	12-month ECL	**8,546**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(c) Credit risk and impairment assessment *(CONTINUED)*

Notes:

(a) For the purposes of internal risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	Past due	Not past due/ no fixed repayment terms	Total
	RMB'000	*RMB'000*	*RMB'000*
2024			
Amounts due from associates	**—**	**29,382**	**29,382**
Amounts due from joint ventures	**—**	**183,062**	**183,062**
Other receivables	**—**	**501,054**	**501,054**
Loans receivable	**—**	**27,848**	**27,848**
2023			
Amounts due from associates	—	23,765	23,765
Amounts due from joint ventures	—	286,003	286,003
Other receivables	—	584,151	584,151
Loans receivable	—	48,630	48,630

(b) For trade receivables (including trade-related amounts due from joint ventures and associates), finance lease receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items on an individual balance basis, except for trade receivables in relation to its sales of electricity which are based on provision matrix.

The trade receivables arising from sales of electricity are mainly due from the local state grid companies in various provinces in the PRC. The management considered the probability of default of trade receivables is remote since the local grid companies are state-owned and taking into account the past payment histories of the debtors, adjusted for general economic conditions of the new energy industry and an assessment of both current as well as forecast direction of market conditions at the reporting date. Accordingly, the management is of the opinion that the credit risk of trade receivables arising from sales of electricity is limited.

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

(c) Credit risk and impairment assessment *(CONTINUED)*

Notes: (CONTINUED)

(c) The Group writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

The following table shows the movement in ECL that has been recognised for trade receivables under the simplified approach:

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**4,062**	3,092
Impairment provided for the year from continuing operations, net *(Note 10)*	**702**	1,130
Impairment provided for the year from discontinued operation, net	**—**	698
Disposal of subsidiaries	**—**	(698)
Written-off during the year	**—**	(160)
At 31 December	**4,764**	4,062

For financial guarantee contracts, the gross carrying amount represents the maximum amount that Group has guaranteed under the relevant contract. The maximum amount that the Group has guaranteed under the relevant contract was RMB503,850,000 as at 31 December 2024 (2023: RMB498,869,000). At the end of the reporting period, the directors of the Company have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Details of the financial guarantee contracts are set out in Note 40.

50 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

In estimating the fair value of financial assets and financial liabilities, the Group uses market-observable data of the extent it is available. Where Level 1 inputs are not available, the Group determines the appropriate valuation techniques and inputs for fair value measurements and works closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis. The following tables give information about how the fair values of these financial assets and financial liabilities are determined.

	Fair value hierarchy			
	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
At 31 December 2024				
Financial assets at FVTPL				
Unlisted equity securities	**—**	**—**	**180,890**	**180,890**
Contingent consideration in disposal of subsidiaries	**—**	**—**	**33,279**	**33,279**
Bills receivables, at FVTPL	**—**	**126,546**	**—**	**126,546**

	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023				
Financial assets at FVTPL				
Unlisted equity securities	—	—	69,659	69,659
Listed equity securities, at fair value	99,538	—	—	99,538
Contingent consideration in disposal of subsidiaries	—	—	50,433	50,433
Bills receivables, at FVTPL	—	9,000	—	9,000

There were no transfers between level 1 and 2 during the years ended 31 December 2024 and 2023, and there were no transfers into or out of Level 3 during both years.

50 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(CONTINUED)*

Information of level 2 and level 3 fair value measurement are as follow:

Financial assets/financial liabilities	Fair value as at 2024 (RMB'000)	Fair value as at 2023 (RMB'000)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Unlisted equity securities	**180,890**	69,659	Level 3	Income approach — in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investees, based on an appropriate discount rate.	Long-term pre-tax operating margin, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 44% to 48% (2023: 44% to 48%).
				Comparable market value — in this approach, the fair value of unlisted equity instruments is determined at the price of the most recent financing.	Discount rate of 12% (2023: 12%) determined using a Capital Asset Pricing Model (note (a)).
Contingent consideration in disposal of subsidiaries	**33,279**	50,433	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow into the Group arising from the contingent consideration, based on an appropriate discount rate.	Probability to meet the conditions set out in the share purchase agreements, including whether and when the disposed power plants could be registered in the List (note (b)).
Bills receivables, at FVTPL	**126,546**	9,000	Level 2	Discounted cash flow method was used to capture the present value of the contracted cash flows discounted at a rate that reflects the market credit risk.	N/A

50 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(CONTINUED)*

Notes:

(a) An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the unlisted equity securities, and vice versa. A 5% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the unlisted equity securities by RMB948,000 and RMB998,000 respectively (2023: RMB1,078,000 and RMB1,138,000 respectively).

(b) A decrease in probability for satisfying the conditions stipulated in the equity transfer agreement, such as obtaining a construction project permit and land ownership certificate would result in a decrease in the fair value measurement of the contingent consideration, and vice versa.

Reconciliation of Level 3 fair value measurement

	Contingent consideration in disposal of subsidiaries	**Unlisted equity securities**	**RMB wealth management products**
	RMB'000	*RMB'000*	*RMB'000*
Balance as at 1 January 2023	93,060	66,782	210
Addition	—	—	3,080,021
Settlement	(42,627)	—	(3,097,908)
Fair value changes	—	1,977	17,677
Exchange differences	—	900	—
Balance as at 31 December 2023	50,433	69,659	—
Addition	**—**	**106,686**	**2,397,563**
Settlement	**(17,154)**	**(2,203)**	**(2,410,541)**
Fair value changes	**—**	**3,744**	**12,543**
Exchange differences	**—**	**3,004**	**435**
Balance as at 31 December 2024	**33,279**	**180,890**	**—**

Fair value of financial instruments that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated statement of financial position, together with the interest accruals, approximate their respective fair values at the end of the reporting period.

51 CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors capital on the basis of the liability-to-asset ratio and the gearing ratio. The gearing ratio is calculated as total borrowings divided by total capital. Total borrowings represented bank borrowings plus other borrowings, senior notes, and lease liabilities. Total capital is calculated as total equity plus total borrowings.

The Group's total borrowings and total capital positions as at 31 December 2024 and 2023 are as follows:

	2024	2023
	RMB'000	*RMB'000*
Total borrowings	**16,649,824**	16,692,318
Total equity	**8,906,306**	8,435,414
Total capital	**25,556,130**	25,127,732
Gearing ratio	**65.15%**	66.43%
Liability-to-asset ratio	**72.28%**	72.99%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

52 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024	2023
	RMB'000	*RMB'000*
Assets:		
Non-current assets		
Interests in subsidiaries	**1,270,960**	1,270,642
Deposits	**547**	547
Right-of-use assets	**2,251**	—
	1,273,758	1,271,189
Current assets		
Amounts due from subsidiaries	**1,630,462**	1,092,175
Amounts due from joint ventures	**5**	2
Deposits	**21,336**	53,939
Cash and cash equivalents	**120,134**	124,795
Financial assets at fair value through profit or loss	**—**	99,538
	1,771,937	1,370,449
Total assets	**3,045,695**	2,641,638
Liabilities:		
Current liabilities		
Bank borrowings	**176,250**	177,068
Other payables and accruals	**22,819**	18,405
Amounts due to subsidiaries	**152,259**	316,853
	351,328	512,326
Total liabilities	**351,328**	512,326
Net current assets	**1,420,609**	858,123
Net assets	**2,694,367**	2,129,312

52 STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(CONTINUED)*

	2024	2023
	RMB'000	*RMB'000*
Equity		
Share capital *(Note 41)*	**68,390**	72,598
Reserves *(Note)*	**2,625,977**	2,056,714
Total equity	**2,694,367**	2,129,312

Approved and authorised for issue by the board of directors on 27 February 2025.

Liu Shunxing
Chairman and Executive Director

Niu Wenhui
Executive Director

Note:

Movements in components of reserves of the Company

	Share premium	Treasury shares	Contributed surplus *(Note 41(c))*	Other reserves	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023	708,438	(206,285)	2,359,063	109,875	(1,185,637)	1,785,454
Gain and total comprehensive income the year	—	—	—	—	839,885	839,885
Share-based compensation	—	—	—	13,377	—	13,377
Vesting of shares under share award scheme	15,299	327	—	(22,985)	—	(7,359)
2022 final dividend	—	—	—	—	(278,487)	(278,487)
Cancellation of treasury shares	(309,886)	314,731	—	—	—	4,845
Repurchase of ordinary shares *(Note 41)*	—	(301,001)	—	—	—	(301,001)
Balance at 31 December 2023	**413,851**	**(192,228)**	**2,359,063**	**100,267**	**(624,239)**	**2,056,714**
Gain and total comprehensive income the year	**—**	**—**	**—**	**—**	**889,103**	**889,103**
Share-based compensation	**—**	**—**	**—**	**5,815**	**—**	**5,815**
Vesting of shares under share award scheme	**10,000**	**123**	**—**	**(12,979)**	**—**	**(2,856)**
2023 final dividend	**—**	**—**	**—**	**—**	**(258,890)**	**(258,890)**
Cancellation of treasury shares	**(249,859)**	**254,067**	**—**	**—**	**—**	**4,208**
Repurchase of ordinary shares *(Note 41)*	**—**	**(68,117)**	**—**	**—**	**—**	**(68,117)**
Balance at 31 December 2024	**173,992**	**(6,155)**	**2,359,063**	**93,103**	**5,974**	**2,625,977**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

53 SUBSIDIARIES

As at 31 December 2024, particulars of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and operations and kind of legal entity	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Century Concord Wind Power Investment Co., Ltd. *	The PRC, limited company	Registered capital of RMB3,444,450,000	100%	100%	Investment holding
Haotai New Energy Equipment Ltd. *	The PRC, limited company	Registered capital of RMB500,000,000	100%	100%	Sales of solar power equipment and new energy equipment
Jilin Century Concord Wind Power Investment Co., Ltd. *	The PRC, limited company	Registered capital of RMB195,820,000	100%	100%	Wind power plant investment and operation
Jingmen Lixi Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB37,800,000	100%	100%	Wind power plant investment and operation
Yongzhou Jiepai Century Concord Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB1,901,834,000	100%	100%	Wind power plant investment and operation
Jilin Tongyu New Area Development Concord Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB203,000,000	100%	100%	Wind power plant investment and operation
Kaiyuan Julong New Energy Development Co., Ltd. *	The PRC, limited company	Registered capital of RMB443,850,000	100%	100%	Wind power plant investment and operation
Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB133,920,000	100%	100%	Wind power plant investment and operation

(Expressed in RMB unless otherwise indicated)

53 SUBSIDIARIES *(CONTINUED)*

Name	Place of incorporation/ registration and operations and kind of legal entity	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Suzhou Deren Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB70,000,000	100%	100%	Wind power plant investment and operation
Shizong Juhe Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB304,280,000	100%	100%	Wind power plant investment and operation
Fuxin Mongol Autonomous County Xingda Wind Power Co., Ltd*	The PRC, limited company	Registered capital of RMB66,000,000	100%	100%	Wind power plant investment and operation
CNE INVESTMENT PTE. LTD.	Foreign limited company	Registered capital of SGD60,000,000	100%	100%	Investment holding
Wuhe Juhe Wind Power Co., Ltd.*	The PRC, limited company	Registered capital of RMB78,000,000	100%	100%	Wind power plant investment and operation

* The English translation of the names of the subsidiaries are for identification only. The official names of these entities are in Chinese.

The table above lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. As at 31 December 2024, there was no non-wholly owned subsidiaries of the Group that have material non-controlling interests.

FIVE YEAR FINANCIAL SUMMARY

RESULTS

	For the year ended 31 December 2024	For the year ended 31 December 2023	For the year ended 31 December 2022	For the year ended 31 December 2021	For the year ended 31 December 2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Restated)	*RMB'000*
Revenue and other income	**2,935,894**	3,095,285	2,739,500	2,278,275	2,042,095
Profit for the year attributable to equity shareholders of the Company	**805,133**	963,774	871,817	787,534	673,405

ASSETS, LIABILITIES AND EQUITIES

	As at 31 December 2024	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Restated)	*RMB'000*
Total assets	**32,129,839**	31,236,368	27,172,516	24,044,818	19,528,281
Total liabilities	**(23,223,533)**	(22,800,954)	(19,077,624)	(16,481,931)	(13,033,779)
Net assets	**8,906,306**	8,435,414	8,094,892	7,562,887	6,494,502
Equity attributable to equity shareholders of the Company	**8,714,950**	8,283,036	7,831,747	7,413,926	6,419,868

GENERATE FOR GENERATIONS

WWW.CNEGROUP.COM

SINGAPORE

30 Cecil Street #21-02, Prudential Tower, 049712, Singapore

HONG KONG

Room 4901, 49/F, Sun Hung Kai Centre,
30 Harbour Road, Wan Chai, Hong Kong

BEIJING

CWP Bldg., No.9 South Shouti Rd.,
Haidian District, Beijing, 100048, P.R.C.

FSC www.fsc.org MIX Paper | Supporting responsible forestry FSC® C122893