



# 四川能投發展股份有限公司

## Sichuan Energy Investment Development Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 1713

# 2024

## Annual Report





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# DEFINITIONS

In this report, the following expressions shall have the following meanings unless the context requires otherwise.

"10kV and Below Project"	the 10kV and Below Project, comprising, among others, the construction and modification of 10kV circuit line, distribution transformers, low voltage lines and meters
"10kV and Below Project Implementation Units"	Xuzhou Electricity, Gao County Electricity, Gong County Electricity, Junlian Electricity, Pingshan Electricity and Xingwen Electricity
"14th Five-year Period"	the 14th five-year period for the PRC national economic and social development, being year 2021 to 2025
"15th Five-year Period"	the 15th five-year period for the PRC national economic and social development, being year 2026 to 2030
"2021-2023 Property Management Agreement"	the property management agreement entered into between Baishiji and the Company dated 31 December 2020, in relation to the provision of certain property management services by Baishiji to the Group for a term from 1 January 2021 to 31 December 2023
"2024 Property Management Framework Agreement"	the property management framework agreement entered into between Baishiji and the Company dated 3 July 2024, in relation to the provision of certain property management related and other services by Baishiji to the Group up to 31 December 2024
"2025-2026 Property Management Framework Agreement"	the property management framework agreement entered into between Baishiji and the Company dated 24 December 2024, in relation to the provision of certain property management related and other services by Baishiji to the Group up to 31 December 2026
"35kV and Above Project"	the 35kV and Above Project, comprising, among others, the construction and modification of 110kV substations, main transformers, 110kV circuit line, 35kV substations, main transformers and 35kV circuit line
"35kV and Above Project Implementation Units"	Xuzhou Electricity, Pingshan Electricity, Gong County Electricity and Junlian Electricity
"AGM"	the annual general meeting to be convened by the Company on 18 June 2025
"Articles of Association" or "Articles"	the articles of association of the Company adopted by the written resolution of the Shareholders on 16 May 2017 and as amended, supplemented and otherwise modified from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Company

## DEFINITIONS

“Automation Engineering Project”	the Automation Engineering Project, comprising, among others, (i) the construction of the portion relating to communication and auxiliary control for various 35kV and above projects; (ii) the automation improvement engineering, including rural power grid dispatching automation engineering, transformers station operation, maintenance and recondition and main station system engineering, dispatching automation network security level protection engineering, distribution grid dispatching automation engineering, energy use safety engineering and rural power grid distribution energy automation system and supporting projects of Hydropower Group; and (iii) communication improvement project in Changning County, which includes the improvement of the rural power grid communication system within the county
“Automation Engineering Project Implementation Units”	Xuzhou Electricity, Gao County Electricity, Gong County Electricity, Junlian Electricity, Pingshan Electricity and Xingwen Electricity
“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this report, Hong Kong, Macau and Taiwan
“China Accounting Standards for Business Enterprises” or “CASBE”	the accounting standards for business enterprises issued by the Ministry of Finance of the PRC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company” or “Sichuan Energy Investment Development”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 1713), a company established in the PRC as a joint stock company with limited liability on 29 September 2011
“Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Construction Supervision Contract”	the construction supervision contract dated 3 July 2024 and entered into between Hydropower Group, Sichuan Yilian, the Construction Supervision Implementation Units and the Other Construction Supervision Implementation Units
“Construction Supervision Implementation Units”	Xuzhou Electricity, Gao County Electricity, Gong County Electricity, Junlian Electricity, Pingshan Electricity and Xingwen Electricity
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	code on corporate governance practices contained in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company



## DEFINITIONS

“Domestic Share(s)”	domestic ordinary shares in the Company’s registered capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and held by PRC nationals or PRC-incorporated entities, and are not listed or traded on any stock exchange
“EECS business”	electrical engineering construction service and related business, which includes the construction, installation, testing and maintenance of power facilities and related sales of electric equipment and materials
“Energy Investment Group”	Sichuan Energy Investment Group Co., Ltd.* (四川省能源投資集團有限責任公司), a company established in China on 21 February 2011 with limited liability, one of our controlling shareholders and a subsidiary of Sichuan Development Holding Co., Ltd. (四川發展(控股)有限責任公司)
“EPC”	engineering, procurement and construction
“EPC Contract 1”	the EPC contract dated 26 February 2024 and entered into between Gao County Electricity, Sichuan Energy Investment Development Construction, Sichuan Shengchang and Sichuan Tuolang, pursuant to which Gao County Electricity agreed to engage Sichuan Energy Investment Development Construction, Sichuan Shengchang and Sichuan Tuolang to provide relevant EPC services in relation to the Project 1
“EPC Contract 2”	the EPC contract dated 26 February 2024 and entered into between Xingwen Electricity, Sichuan Energy Investment Development Construction, Sichuan Energy Investment Integrated Energy and Materials Industry Group, pursuant to which Xingwen Electricity agreed to engage Sichuan Energy Investment Development Construction, Sichuan Energy Investment Integrated Energy and Materials Industry Group to provide relevant EPC services in relation to the Project 2
“EPC Contract 3”	the EPC contract dated 26 February 2024 and entered into between Pingshan Electricity, Sichuan Energy Investment Development Construction and Sichuan Tuolang, pursuant to which Pingshan Electricity agreed to engage Sichuan Energy Investment Development Construction and Sichuan Tuolang to provide relevant EPC services in relation to the Project 3
“EPC Contract 4”	the EPC contract dated 26 February 2024 and entered into between Junlian Electricity, Sichuan Energy Investment Development Construction and Sichuan Energy Investment Integrated Energy, pursuant to which Junlian Electricity agreed to engage Sichuan Energy Investment Development Construction and Sichuan Energy Investment Integrated Energy to provide relevant EPC services in relation to the Project 4
“EPC Contract for 10kV and Below Project”	the EPC contract for 10kV and Below Project dated 3 July 2024 and entered into between Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy, Sichuan Energy Investment Development Construction, the 10kV and Below Project Implementation Units and the Other 10kV and Below Project Implementation Units
“EPC Contract for 35kV and Above Project”	the EPC contract for 35kV and Above Project dated 3 July 2024 and entered into between Hydropower Group, Sichuan Energy Construction, Sichuan Energy Consolidated Energy, Sichuan Energy Investment Development Construction, the 35kV and Above Project Implementation Units and the Other 35kV and Above Project Implementation Units
“EPC Contract for Automation Engineering Project”	the EPC contract for Automation Engineering Project dated 3 July 2024 and entered into between Hydropower Group, Sun Technology, Sichuan Energy Consolidated Energy, the Automation Engineering Project Implementation Units and the Other Automation Engineering Project Implementation Units

## DEFINITIONS

“EPC Contracts”	collectively EPC Contract 1, EPC Contract 2, EPC Contract 3, EPC Contract 4 and Equipment and Materials Procurement Contract
“Equipment and Materials Procurement Contract”	the equipment and materials procurement contract dated 3 July 2024 and entered into between Hydropower Group, Materials Industry Group, the 10kV and Below Project Implementation Units and the Other 10kV and Below Project Implementation Units
“Group”	the Company and its subsidiaries
“H Share(s)”	the issued ordinary share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hydropower Group”	Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司), a company established in China on 17 December 2004 with limited liability, one of the controlling shareholders of the Company
“Listing”	listing of the H Shares of the Company on the Main Board of the Stock Exchange
“Listing Date”	28 December 2018, the date on which the H Shares of the Company were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“Project 1”	The Gao County Rural Power Grid Remaining Funds (from 2005 to 2015) Adjustment Project, comprising the construction and renovation of 10 kV power lines, installation or renovation of 10 kV distribution transformers, and renovation of low-voltage lines
“Project 2”	The Xingwen County Rural Power Grid Remaining Funds (from 2005 to 2015) Adjustment Projects – 10 kV and Below Project, comprising the construction and renovation of 10 kV lines, the construction or expansion and renovation of 57 transformers, and low-voltage lines (including renovation of household lines), and the rectification project of potential forest and grassland fire safety hazards risk issues of the 10 kV line and the rectification project of potential forest and grassland fire safety hazards risk issues of the substations
“Project 3”	The Pingshan County Rural Power Grid Remaining Funds (from 2005 to 2015) Adjustment 10 kV and Below Project, comprising the construction of a 2 in 8 out switching station in Zhongdu Town, an extension of the 10 kV interval of the 35 kV substation in Xinshi Town, on pole circuit breakers, a 10 kV line and small current grounding line selection devices



## DEFINITIONS

“Project 4”	The Junlian County Rural Power Grid Remaining Funds (from 2005 to 2015) Adjustment Project, comprising the construction of switching stations, ring main units, primary and secondary fusion circuit breakers, small current grounding line selection devices, three phase smart meters, concentrators, high voltage transformers and construction of 10 kV lines
“Prospectus”	the prospectus dated 13 December 2018 in relation to the initial public offering of H Shares
“Remuneration Committee”	the remuneration and evaluation committee of the Company
“Reporting Period”	the period from 1 January 2024 to 31 December 2024
“Risk Control Committee”	the risk control committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company, including H Shares and Domestic Shares
“Shareholder(s)”	the shareholder(s) of the Company
“Sichuan Energy Development Group”	Sichuan Energy Development Group Co., Ltd.* (四川能源發展集團有限責任公司), a limited liability company established in the PRC on 25 February 2025, which became one of the controlling shareholders of the Company on 27 February 2025. Please refer to the announcements of the Company dated 29 November 2024, 30 December 2024, 14 January 2025 and 27 February 2025 for more details in relation to the strategic reorganization of the controlling shareholders
“Sichuan Development”	Sichuan Development (Holding) Co., Ltd.* (四川發展（控股）有限責任公司), a wholly state-owned company established on 24 December 2008 under the laws of the PRC with limited liability, one of our controlling shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent.

# CHAIRMAN'S STATEMENT

The year of 2024 was a critical year for the Company in laying the foundations for sustained growth and achieving substantial progress. Facing the dual pressures of continuously rising power demand and the growing needs of the public for a better quality of life, the Company operated under the steadfast leadership of Energy Investment Group. With the unwavering support of our Shareholders and various stakeholders, all employees of the Company demonstrated new commitments to serving local economic and social development and ensuring the public's high-quality lifestyle needs with dedication and diligence. Through the concerted efforts of all employees, the Company achieved remarkable progress in its key initiatives of "strengthening the foundation, expanding industries, driving growth and mitigating risks". The Company's potential for "progress" has been steadily accumulating, structural "optimization" has been gradually emerging, "innovative" momentum has been continuously increasing and the overall "positive" trend has been strengthening. For the year, the Company achieved operating revenue of approximately RMB4.776 billion, representing a year-on-year increase of 14.8%, and total profit of approximately RMB467 million, representing a year-on-year increase of 14.1%.

We have always regarded reform as the critical move to overcome bottlenecks. Centered on the themes of "strengthening management, unlocking potential and increasing efficiency", we have deepened reform comprehensively, continuously eliminating institutional blockages, addressing development pain points and resolving transformation challenges. These efforts further bolstered the Company's strength and optimized its development environment, earning us the prestigious A-level (benchmark) rating as a "Tianfu Comprehensive Reform Enterprise" for 2023 from the Sichuan Provincial State-owned Assets Supervision and Administration Commission. We also advanced innovations in our talent management mechanisms, vigorously attracting innovative talent, meticulously nurturing skilled craftsmen and boldly reforming our compensation system. By tilting remuneration allocation toward organizations and individuals making outstanding contributions to the Company, we have continuously enhanced the Company's vitality for innovation and value creation.

Innovation has always been the core driver of our industrial leadership. We meticulously planned 15 technological innovation projects, with one invention patent authorized by the National Intellectual Property Administration and four projects receiving awards from Energy Investment Group. These efforts steadily elevated our core competitiveness and innovation-driven capabilities. The Company successfully developed a zero-carbon intelligent microgrid, establishing the first nationwide green power microgrid that directly connects and supplies power with full traceability. Building on this, we constructed a regional active grid supported by a 220kV network, structured with a 110kV network, extended by a 35 kV network and covered by a 10 kV network—achieving interconnectivity, resource sharing and coordinated development. This has further enhanced our power supply capacity and grid resilience. We also vigorously promoted green industry development. The "Solar + Storage + Charging" integrated smart energy station in Pidū District, constructed and operated by the Company, successfully powered the Chengdu International Horticultural Exhibition. Furthermore, the Fuxi Integrated Energy Station in Gao County was prominently featured at the 2024 World Power Battery Conference.

Service remains our mission and purpose. We have vigorously advanced the construction of smart service centers and power supply service hubs, striving to create a "Five-Easy" service system (easy to experience, easy to inquire, easy to process, easy to command, and easy to communicate). We continuously refined our rapid response mechanism for customer needs, adhering to the principle of "daily reporting, daily rectification, and daily resolution" to address various customer demands promptly and effectively. This has significantly enhanced the public's sense of safety, happiness, and satisfaction with electricity usage. We conducted in-depth governance of frequent power outages and low-voltage issues, comprehensively strengthened the management of planned outages, and actively promoted live-line operations. As a result, the total number of 10kV line outage incidents decreased by 25.3% year-on-year, with power supply reliability steadily improving.

The Company places great emphasis on market value and ESG management. In November 2024, I personally led a delegation to visit the Hong Kong Exchanges and Clearing Limited to gain an in-depth understanding of the development of international capital markets and market value management and related matters. We comprehensively communicated the Company's strategic plans, operational achievements and development prospects, driving steady growth in stock value and continuous improvement in ESG management. For the first time, the Company was listed among the "Top 200 ESG Performers" among Chinese energy companies in 2024, ranking 125th out of 636 listed energy companies.



## CHAIRMAN'S STATEMENT

Time does not dwell on the past; the most beautiful scenery always lies ahead. The year of 2025 marks the conclusion of the “14th Five-Year Plan” and the preparation phase for the “15th Five-Year Plan”, as well as a critical year for the Company to bridge past achievements and future high-quality development. Guided by the overarching principles of “lean management, capital prioritization and service excellence”, the Company will continuously expand new industrial pathways, narrate compelling new capital market stories and implement innovative service measures. We strive for breakthroughs in eight key areas: party leadership, technological innovation, capital operations, lean management, quality service, project investment, safety production and human resources. These efforts will create greater value for our Shareholders and investors while contributing more significantly to the economic and social development of our power supply regions!

Finally, on behalf of the Board, I extend my heartfelt gratitude and best wishes to our Shareholders, all employees and their families, and to all our partners and friends from various sectors who have long supported the Company in its endeavors!

**He Jing**

*Chairman*

Chengdu, 26 March 2025

# COMPANY PROFILE

As at the date of this report

## 1. CORPORATE INFORMATION

**Chinese Name:**

四川能投发展股份有限公司

**English Name:**

Sichuan Energy Investment Development Co., Ltd.\*

**Registered Address:**

No. 789, Renhe Road  
Wenjiang District, Chengdu  
Sichuan Province, the PRC

**Headquarters/Principal Place of Business in the PRC:**

No. 789, Renhe Road  
Wenjiang District, Chengdu  
Sichuan Province, the PRC

**Principal Place of Business in Hong Kong:**

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

**Company Website:**

<http://www.scntgf.com>

**Tel:**

+86 (28) 86299666

**Fax:**

+86 (28) 86299666

**E-mail:**

db@scntgf.com

## 2. STOCK PROFILE OF THE COMPANY

**Classes of Shares:**

H Shares and Domestic Shares

**Stock Exchange of H Shares:**

Main Board of The Stock Exchange of Hong Kong Limited

**Stock Abbreviation of H Shares:**

SICHUAN EN INV

**Stock Code of H Shares:**

1713

## 3. EXECUTIVE DIRECTORS

Mr. He Jing (*Chairman*)

Mr. Wang Yuanchun

Ms. Xie Peixi

## 4. NON-EXECUTIVE DIRECTORS

Ms. Han Chunhong

Mr. Tao Xueqing

Mr. Zhao Gen

Mr. Gao Bin

Mr. Kong Ce

## 5. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Siu Chi Hung

Mr. Chen Chuan

Mr. Mou Yingshi

Prof. Li Jian

Ms. He Yin

## 6. SUPERVISORS

Ms. Deng Ruipu (*Chairlady*)

Ms. Fu Ruoxue

Mr. Su Lijiang

Ms. Tian Wenwei

Ms. Wang Meng

Ms. Sun Hui

## 7. AUTHORIZED REPRESENTATIVES

Mr. He Jing

Mr. Wang Yuanchun

## 8. AUDIT COMMITTEE

Mr. Siu Chi Hung (*Chairman*)

Ms. Han Chunhong

Prof. Li Jian

## 9. REMUNERATION AND EVALUATION COMMITTEE

Mr. Chen Chuan (*Chairman*)

Mr. Gao Bin

Mr. Mou Yingshi

\* For identification purposes only



## COMPANY PROFILE

*As at the date of this report*

### 10. NOMINATION COMMITTEE

Mr. He Jing (*Chairman*)  
Mr. Chen Chuan  
Mr. Mou Yingshi

### 11. RISK CONTROL COMMITTEE

Prof. Li Jian (*Chairman*)  
Mr. Tao Xueqing  
Mr. Siu Chi Hung

### 12. JOINT COMPANY SECRETARIES

Ms. Li Jia  
Ms. Wong Wai Ling

### 13. H SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### 14. AUDITOR

KPMG Huazhen LLP  
8th floor, KPMG building, Oriental Plaza  
No. 1, East Chang'an Street, Beijing  
PRC

### 15. LEGAL ADVISORS

#### **As to Hong Kong law:**

Jingtian & Gongcheng LLP  
Suites 3203–3207, 32/F  
Edinburgh Tower, The Landmark  
15 Queen's Road Central  
Hong Kong

#### **As to PRC law:**

Beijing Zhong Yin (Chengdu) Law Firm  
15/F, Block B, OCG International Center  
No. 158 Tianfu 4th Avenue  
Chengdu Hi-tech Industrial Development Zone  
Sichuan Province, the PRC

### 16. PRINCIPAL BANKS

Bank of Communications Co., Ltd., Chengdu Branch,  
Wenjiang Sub-branch  
(交通銀行股份有限公司成都溫江支行)  
Agricultural Bank of China Limited, Chengdu Branch,  
Jincheng Sub-branch  
(中國農業銀行股份有限公司成都錦城支行)  
China Merchants Bank Co., Ltd,  
Chengdu Branch, Yizhou Avenue Sub-branch.  
(招商銀行股份有限公司成都益州大道支行)  
Industrial and Commercial Bank of China Limited,  
Chengdu Branch, Hi-tech Industry Development Zone  
Sub-branch  
(中國工商銀行股份有限公司成都高新支行)  
Bank of China Limited, Chengdu Branch, Development  
Zone West Sub-branch  
(中國銀行股份有限公司成都開發西區支行)

# FINANCIAL HIGHLIGHTS

## Year ended 31 December

Summary of consolidated statement of profit or loss	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)	2020 (RMB'000)
Revenue	4,775,572	4,160,193	3,313,256	3,171,674	3,025,304
Total profit	466,750	409,190	361,546	321,195	305,705
Income tax expense	65,502	67,190	58,997	50,278	48,503
Net profit	401,248	342,000	302,549	270,917	257,202
<b>Attributable to:</b>					
Equity Shareholders of the Company	400,025	339,000	301,442	269,558	256,028
Non-controlling interests	1,223	3,000	1,107	1,359	1,174
Basic earnings per Share (RMB)	0.37	0.32	0.28	0.25	0.24

## As at 31 December

Summary of consolidated statement of profit or loss	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)	2020 (RMB'000)
Total non-current assets	5,357,495	4,761,837	3,775,182	3,461,642	3,289,669
Total current assets	2,004,055	1,562,998	1,372,829	1,169,811	1,201,949
Total assets	7,361,550	6,324,835	5,148,011	4,631,453	4,491,618
Total current liabilities	2,225,968	1,907,038	1,511,576	1,432,774	1,465,266
Total non-current liabilities	1,450,466	1,013,960	451,217	202,780	171,892
Total liabilities	3,676,434	2,920,998	1,962,793	1,635,554	1,637,158
Net assets	3,685,116	3,403,837	3,185,218	2,995,899	2,854,460
Including:					
Equity attributable to equity Shareholders of the Company	3,614,620	3,355,294	3,147,366	2,979,660	2,839,580
Equity attributable to non-controlling interests	70,496	48,543	37,852	16,239	14,880



# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. INDUSTRY OVERVIEW

The value chain of China's power industry consists of power generation, power transmission and distribution as well as power sales. Power generation process converts other types of energy into power, such as hydropower plants using flowing water energy to generate power. The grid transmission and distribution system is the core of power supply, which includes power transmission network that reaches various provinces and cities in China, distribution network for end-use purposes, as well as step-up and step-down substations. Lastly, power sales activities distribute power directly to end users.

In 2024, total power consumption in China reached 9.8521 trillion kWh, representing a year-on-year increase of 6.8%. In particular, power consumption in the primary sector reached 135.7 billion kWh, representing a year-on-year increase of 6.3%; power consumption in the secondary sector reached 6.3874 trillion kWh, representing a year-on-year increase of 5.1%; power consumption in the tertiary sector reached 1,834.8 billion kWh, representing a year-on-year increase of 9.9%; urban and rural household consumption reached 1,494.2 billion kWh, a year-on-year growth of 10.6%. The total power consumption in Sichuan Province reached 400.0 billion kWh, representing a year-on-year increase of 7.8%, and benefiting from the superior transportation and economic geographical location, the total power consumption in Yibin City this year reached 22.35 billion kWh, representing a year-on-year increase of 11.2%.

As Sichuan Province steadily advances the construction of the Chengdu-Chongqing Economic Circle and develops the Sichuan-Chongqing "Hydrogen Corridor", "Electricity Corridor" and "Smart Travel Corridor", Yibin City is optimizing and enhancing its transportation hub functions, accelerating the construction of the Chongqing-Kunming High-Speed Railway, and speeding up the development of new energy storage and artificial intelligence industries. We believe that the Company will have further development opportunities in areas such as electricity sales, distributed energy, engineering construction, and comprehensive energy services.

## 2. BUSINESS OVERVIEW

### 2.1 Overview

The Group is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation, electricity distribution and sales. We have a stable user base and a comprehensive network of power supply in Yibin City, which allows us to optimize the balance usage of power resources within our power supply network through efficient allocation of electricity. Our businesses currently consist of (i) power business, including production, distribution and sales of power, which is divided into general power supply business and incremental power transmission and distribution business; and (ii) EECS business, which consists of electrical engineering construction service and sales of electric equipment and materials.

In 2024, the Company realized operating revenue of approximately RMB4,775.6 million, representing a year-on-year increase of approximately 14.8%. Our total profit was approximately RMB466.8 million, representing a year-on-year increase of approximately 14.1%. In the same year, the Company achieved net profit of approximately RMB401.2 million, representing a year-on-year increase of approximately 17.3%, and net profit attributable to equity shareholders of the parent company of approximately RMB400.0 million, representing a year-on-year increase of approximately 18.0%.

As of the end of 2024, we had and operated an aggregate of 6 hydropower plants with a total installed capacity of 127,030 kW. We also had 3 units of 220 kV substations with an aggregated capacity of 1,080,000 kVA, 24 units of 110 kV substations with an aggregated capacity of 1,795,400 kVA, and 58 units of 35 kV substations with an aggregated capacity of 628,600 kVA.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2.2 Operating Results

The following table sets forth the breakdown of the revenue, cost and gross profit of the principal business by segment for the years ended 31 December 2023 and 2024, and the percentage of changes.

Principal business	Year ended 31 December 2024			Year ended 31 December 2023			Percentage of changes		
	Revenue (RMB)	Cost (RMB)	Gross profit (RMB)	Revenue (RMB)	Cost (RMB)	Gross profit (RMB)	Revenue (%)	Cost (%)	Gross profit (%)
General power supply business	3,985,130,833.19	3,287,161,029.81	697,969,803.38	3,322,959,805.99	2,758,587,553.15	564,372,252.84	19.9	19.2	23.7
Incremental power transmission and distribution business	354,199,417.23	333,997,199.83	20,202,217.40	358,824,416.55	336,403,647.92	22,420,768.63	(1.3)	(0.7)	(9.9)
EECS business <sup>(1)</sup>	416,032,519.95	349,382,750.04	66,649,769.91	469,973,864.49	388,945,805.00	81,028,059.49	(11.5)	(10.2)	(17.7)
Total	4,755,362,770.37	3,970,540,979.68	784,821,790.69	4,151,758,087.03	3,483,937,006.07	667,821,080.96	14.5	14.0	17.5

Note:

- (1) Includes revenue from the sales of electric equipment and materials of approximately RMB11.5 million for the year ended 31 December 2024.

### 2.2.1 General Power Supply Business

The following table sets forth the breakdown of revenue from our general power supply business by customer categories for the periods indicated.

Customer	2024		2023		Percentage of changes	
	Electricity Sales (MWh)	Revenue (RMB)	Electricity Sales (MWh)	Revenue (RMB)	Electricity Sales (%)	Revenue (%)
Household	1,860,170	965,509,606.37	1,696,378	891,990,488.50	9.7	8.2
General industrial and commercial	1,316,733	669,397,000.10	1,222,331	668,591,745.99	7.7	0.1
Large industrial	4,604,221	2,285,108,232.34	3,202,129	1,699,788,921.94	43.8	34.4
State Grid	24,842	4,867,142.17	20,431	3,719,228.21	21.6	30.9
Others	180,367	60,248,852.21	179,390	58,869,421.35	0.5	2.3
Total	7,986,333	3,985,130,833.19	6,320,659	3,322,959,805.99	26.4	19.9

Most of our revenue for the year ended 31 December 2024 was derived from general power supply business, including generation, distribution and sales of power. We generated revenue of approximately RMB3,985.1 million from our general power supply business, which accounted for approximately 83.8% of revenue from principal business.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2.2.2 Incremental Power Transmission and Distribution Business

Our revenue from incremental power transmission and distribution business mainly consists of electricity retail business outside our normal power supply service area and other power distribution business related to new-energy vehicles. By implementing measures to diversify the industry chain, we generated revenue of approximately RMB354.2 million from incremental power transmission and distribution business for the year ended 31 December 2024, which accounted for approximately 7.5% of revenue from principal business.

## 2.2.3 EECS Business

We also derived revenue from our EECS business, which mainly involves undertaking the engineering construction projects for, and selling electric equipment and materials to, the users and grid companies in our power supply area. For the year ended 31 December 2024, we generated revenue of approximately RMB416.0 million from our EECS business, which accounted for approximately 8.7% of revenue from principal business.

## 2.3 Major Operational Measures

Firstly, we promoted reform and innovation. We continued to consolidate the achievements of the three-year state-owned enterprise reform action, completing all 49 reform tasks, effectively enhancing the corporate governance level and core competitiveness of state-owned enterprises. The Company was rated as an A-level (benchmark) "Tianfu Comprehensive Reform Enterprise" by the Sichuan SASAC in 2023. We accelerated the cultivation and development of new productive forces, allocating research and development funds of RMB21.21 million increase of 324.2% of compared to 2023. Four scientific innovation projects received awards under Sichuan Energy Investment's "Carbon Peaking and Carbon Neutrality" innovation campaign. The lightweight artificial intelligence technology jointly developed with the Nanjing Institute of Automation of the Chinese Academy of Sciences was reported by mainstream media such as Xinhua News Agency and People's Daily. Our invention "A Method for Detecting Bird Nests on Transmission Towers Based on Drone Inspections" was granted a patent by the China National Intellectual Property Administration, marking a breakthrough in invention patents. We actively promoted the construction of a centralized control center for hydropower station basins, and fostered a modern management model of "centralized control operations, regional maintenance, and minimal staffing", thereby significantly improving the safe operation level of power stations.

Secondly, we strengthened power supply assurance. We completed the construction of seven new 110kV transmission and transformation projects, including Yibin Nanwan, Xuzhou Gaoce, Gaoxian Tianfu, and Pingshan Changhe. We actively advanced the Xuzhou Pumped Storage Project, being selected as the top candidate in the investor selection process, with the project's technical and economic indicators ranking among the best of 13 similar projects in Sichuan Province. The power supply layout continued to optimize, enhancing power supply capacity and grid resilience. We invested in and completed six 110kV interconnection lines with the State Grid, such as Lingxiao Mountain Station to Lianhua Station, Hengdian Dongci Station to Xijie Station and Gaochang Station, and Pingshan Station to Changhe Station, as well as technical upgrades and capacity expansions for four substations: Shipan Station, Yuejiang Station, Shuiya Station, and Jinshan Station. As such, the grid structure was further solidified, and the ability to balance supply and demand improved, forming a regional active grid featuring a 220kV network as the backbone, 110kV as the framework, 35kV for extension, and 10kV for coverage, ensuring interconnectivity, resource sharing, and coordinated development. In 2024, the Company's maximum grid load reached 1,544,200 kW, a 22.37% increase year-on-year, while the average load reached 945,900 kW, up 23.19% year-on-year. No major power outages occurred throughout the year, providing a stable and reliable power supply for local economic and social development and people's livelihoods.



## MANAGEMENT DISCUSSION AND ANALYSIS

Thirdly, we accelerated transformation and upgrading. We have fully embraced the green energy industry, constructing 16 charging stations and adding 145 charging piles and 275 charging interfaces throughout the year. Two distributed photovoltaic projects were completed, with a total installed capacity of 571.32 kW. Our “Solar + Storage + Charging” integrated smart energy station in Pidu District was successfully launched and powered the Chengdu International Horticultural Exhibition, while the Gao County Fuxi Integrated Energy Station was showcased at the 2024 World Power Battery Conference. A first-of-its-kind green electricity microgrid in China was established, featuring a 164,250 kW installed capacity and an annual power generation of 680 million kWh, with direct supply and full traceability. The green energy network is beginning to take shape. Additionally, we have strengthened market value and ESG management, earning a spot on the 2024 China Energy Listed Companies ESG Top 200 list for the first time, ranking 125th among 636 listed companies in energy sector.

Fourthly, we enhanced our service quality. Focusing on five aspects of “simplifying procedures, reducing steps, shortening time, lowering costs, and strengthening services”, we comprehensively improved the convenience and satisfaction of customers in “accessing electricity”. We compiled and issued the “Work Plan for Enhancing the Skills of Electricity Marketing Personnel” and organized seminars on “management + service” dual-skill enhancement, effectively improving complaint handling capabilities. A “daily reporting, daily rectification, daily resolution” mechanism was established to handle requests within set timeframes, forming a closed loop to address various customer demands promptly and effectively. We continued to optimize the business environment for electricity use, processing 540 applications for 10kV and above expansions throughout the year. Public convenience and satisfaction in accessing electricity continued to rise, earning an “excellent” rating in the 2023 provincial business environment evaluation for the “access to electricity” indicator, ranking sixth in the province and significantly boosting the Company’s social image.

Fifthly, we ensured production safety. We advanced the three-year action plan to address the root causes of safety issues in production, focusing on hazard rectification, foundation strengthening, and efficiency enhancement to build a robust safety barrier. We invested RMB7.06 million to rectify 3,843 safety hazards, and recorded zero safety or environmental liability incidents throughout the year. Our production safety efforts were recognized by the ninth inspection team of the State Council’s Safety Committee. We institutionalized forest fire prevention and control efforts, signed 1,251 “Forest Fire Prevention Target Responsibility and Commitment Letters” and “Long-term Mechanism Fire Prevention Responsibility and Task Commitment Letters”, cleared over 69,000 trees and more than 6,600 bamboo clusters, and maintained a five-year record of no forest fires caused by power facilities.

Sixthly, we upheld party leadership. Guided by Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, we thoroughly studied General Secretary Xi Jinping’s important views on state-owned enterprise reform and development and Party building, strictly implemented the “first agenda item” and “three meetings and one lesson” learning systems. We established Party-building demonstration benchmarks, and effectively stimulated grassroots Party-building vitality. Subsidiary Sichuan Energy Investment Yibin Xuzhou Electricity Co., Ltd. (四川能投宜賓市敘州電力有限公司) was selected for the 2024 Sichuan Energy Investment Group Co., Ltd.\* (四川省能源投資集團有限責任公司) Party-Building Demonstration Enterprise Selection and “Party Lessons Begin” themed exhibition, earning the title of “2024 Sichuan Energy Investment Party-Building Demonstration Enterprise”. Subsidiary Sichuan Energy Investment Xingwen Electricity Co., Ltd. (四川能投興文電力有限公司), leveraging its demonstration experience in “Party affairs workforce development”, presented case study results through on-site explanations and videos to the Sichuan SASAC and 39 demonstration enterprises, showcasing the Party-building ethos of the power industry where Sichuan Energy Investment Group Co., Ltd.\* (四川省能源投資集團有限責任公司) operates. We vigorously advanced corporate culture development, with the “Star Fire Inheritance · Brightening Up Thousands of Homes” brand cultivated by the Company winning the “Outstanding Award” under the “Top Ten Cultural Brands of Sichuan State-Owned Enterprises”. We routinely conducted special supervision and efficiency oversight, continuously promoted specific, precise, and normalized political supervision, and strived to create a clean, upright, and entrepreneurial atmosphere.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 3. FINANCIAL REVIEW

### Analysis of key items in the consolidated income statement

#### Operating revenue

Principal business	Year ended 31 December	
	2024 (RMB)	2023 (RMB)
General power supply business	3,985,130,833.19	3,322,959,805.99
Incremental power transmission and distribution business	354,199,417.23	358,824,416.55
EECS business <sup>(1)</sup>	416,032,519.95	469,973,864.49
Total	4,755,362,770.37	4,151,758,087.03

Note:

- (1) Includes revenue from the sales of electric equipment and materials of approximately RMB11.5 million for the year ended 31 December 2024.

Operating revenue from principal business increased by approximately 14.5% from approximately RMB4,151.8 million for the year ended 31 December 2023 to approximately RMB4,755.4 million for the year ended 31 December 2024, primarily due to the increase in revenue from general power supply business.

#### General Power Supply Business

Revenue generated from general power supply business increased by approximately 19.9% from approximately RMB3,323.0 million for the year ended 31 December 2023 to approximately RMB3,985.1 million for the year ended 31 December 2024, primarily due to the increase in the number of customers in households, general business, and the expansion of electricity consumption by our large industrial customers in 2024 compared to 2023. For the years ended 31 December 2023 and 2024, revenue from the general power supply business accounted for approximately 80.0% and 83.8% of revenue from our principal business, respectively.

#### Incremental Power Transmission and Distribution Business

Revenue generated from incremental power transmission and distribution business decreased by approximately 1.3% from approximately RMB358.8 million for the year ended 31 December 2023 to approximately RMB354.2 million for the year ended 31 December 2024, primarily due to the impact of increased competition in the electricity services market.

#### EECS Business

Revenue generated from the EECS business decreased by approximately 11.5% from approximately RMB470.0 million for the year ended 31 December 2023 to approximately RMB416.0 million for the year ended 31 December 2024, primarily due to the decrease in scale of our EECS business affected by real estate market downturn.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Operating Costs

	Year ended 31 December	
	2024 (RMB)	2023 (RMB)
Principal business		
General power supply business	3,287,161,029.81	2,758,587,553.15
Incremental power transmission and distribution business	333,997,199.83	336,403,647.92
EECS business	349,382,750.04	388,945,805.00
Total	3,970,540,979.68	3,483,937,006.07

Operating costs of principal business increased by approximately 14.0% from approximately RMB3,483.9 million for the year ended 31 December 2023 to approximately RMB3,970.5 million for the year ended 31 December 2024, mainly due to the increase in procurement of electricity from third party suppliers resulting from the increase in scale of general power supply business.

## General Power Supply Business

Operating costs associated with our general power supply business increased by approximately 19.2% from approximately RMB2,758.6 million for the year ended 31 December 2023 to approximately RMB3,287.2 million for the year ended 31 December 2024, primarily due to the increase in procurement of electricity from third party suppliers resulting from the increase in scale of general power supply business. For the years ended 31 December 2023 and 2024, operating costs of general power supply business accounted for approximately 79.2% and 82.8% of the operating costs of our principal business, respectively.

## Incremental Power Transmission and Distribution Business

Operating costs associated with our incremental power transmission and distribution business decreased by approximately 0.7% from approximately RMB336.4 million for the year ended 31 December 2023 to approximately RMB334.0 million for the year ended 31 December 2024, primarily due to impact of increased competition in the electricity services market.

## EECS Business

Operating costs associated with our EECS business decreased by approximately 10.2% from approximately RMB388.9 million for the year ended 31 December 2023 to approximately RMB349.4 million for the year ended 31 December 2024, primarily due to the impact of real estate market downturn, which led to a reduction in the scale of the power engineering construction services and related businesses during the Reporting Period.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Gross Profit and Gross Profit Margin

	Year ended 31 December			
	2024		2023	
Principal business	Gross Profit (RMB)	Gross Profit Margin %	Gross Profit (RMB)	Gross Profit Margin %
General power supply business	697,969,803.38	17.5	564,372,252.84	17.0
Incremental power transmission and distribution business	20,202,217.40	5.7	22,420,768.63	6.2
EECS business	66,649,769.91	16.0	81,028,059.49	17.2
Total	784,821,790.99	16.5	667,821,080.96	16.1

Our gross profit from principal business increased by 17.5% from approximately RMB667.8 million for the year ended 31 December 2023 to approximately RMB784.8 million for the year ended 31 December 2024. Our gross profit margin was recorded at 16.1% and 16.5% for the years ended 31 December 2023 and 2024, respectively.

## General Power Supply Business

The gross profit of general power supply business increased by approximately 23.7% from approximately RMB564.4 million for the year ended 31 December 2023 to approximately RMB698.0 million for the year ended 31 December 2024. The gross profit margin of general power supply business increased by approximately 0.5 percentage points from 17.0% for the year ended 31 December 2023 to 17.5% for the year ended 31 December 2024, primarily due to the weather conditions during the year, generation from owned hydroelectric power stations increased compared to the same period, and the increase in the cost of the general power supply business was smaller than the increase in revenue.

## Incremental Power Transmission and Distribution Business

The gross profit of incremental power transmission and distribution business decreased by approximately 9.9% from approximately RMB22.4 million for the year ended 31 December 2023 to RMB20.2 million for the year ended 31 December 2024, primarily due to the impact of the downsizing of the incremental electricity transmission and distribution business in 2024.

## EECS Business

The gross profit of EECS business decreased by approximately 17.7% from approximately RMB81.0 million for the year ended 31 December 2023 to approximately RMB66.6 million for the year ended 31 December 2024, primarily due to the impact of the downsizing of the power engineering construction services and related businesses during the Reporting Period.

## Gains on asset disposal

Gain on asset disposal for 2024 decreased from approximately RMB15.5 million for the year ended 31 December 2023 to a loss of approximately RMB0.10 million for the year ended 31 December 2024, which was mainly due to the disposal of a small amount of assets by the Company in the Reporting Period as compared to the financial compensation received for building demolition during the year 2023.

## Credit Impairment Losses

Credit impairment losses decreased from approximately RMB20.1 million for the year ended 31 December 2023 to approximately RMB16.8 million for the year ended 31 December 2024, mainly due to the increase in receivable balances as a result of the growth in the Company's business scale, but the overall credit loss ratio is expected to be well controlled.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Finance Costs

Finance costs increased from approximately RMB13.3 million for the year ended 31 December 2023 to approximately RMB15.3 million for the year ended 31 December 2024, mainly due to the increase in the size of long-term borrowings during the Reporting Period.

## Asset Impairment Losses

Asset impairment losses decreased by 80.6% from approximately RMB9.8 million for the year ended 31 December 2023 to loss of approximately RMB1.9 million for the year ended 31 December 2024, mainly due to the closure of certain micro-hydropower stations in 2023, which did not occur in the Reporting Period.

## Income from Investment in Associates

Income from investment in associates decreased from approximately RMB4.6 million for the year ended 31 December 2023 to a loss of approximately RMB5.4 million for the year ended 31 December 2024, mainly due to the loss incurred by a new energy company during the Reporting Period.

## Income Tax

Income tax expenses were approximately RMB67.2 million and RMB65.5 million for the years ended 31 December 2023 and 2024, respectively, at effective tax rates of 16.4% and 14.0%, respectively. The decrease in income tax was primarily attributable to temporary differences in income tax arising from the increase in the Group's internal transactions during the Reporting Period.

## Net Profit

As a result of the above, net profit increased from approximately RMB342.0 million for the year ended 31 December 2023 to approximately RMB401.2 million for the year ended 31 December 2024.

## Analysis of key items in the consolidated balance sheet

### Fixed Assets, Construction in Progress and Right-of-use Assets

	As at 31 December	
	2024 (RMB)	2023 (RMB)
Fixed assets	4,254,887,729.31	3,888,494,489.50
Construction in progress	458,196,521.73	277,005,824.43
Right-of-use assets	8,059,476.63	6,889,472.80
Total	4,721,143,727.67	4,172,389,786.73

Fixed assets, construction in progress and right-of-use assets (mainly including plant and buildings, machinery, vehicles, office equipment, projects under construction and right-of-use assets) increased from approximately RMB4,172.4 million as at 31 December 2023 to approximately RMB4,721.1 million as at 31 December 2024, mainly due to the new power grid upgrade and transformation project during the Reporting Period.

## Intangible Assets

Our intangible assets increased from approximately RMB156.3 million as at 31 December 2023 to approximately RMB210.7 million as at 31 December 2024, mainly due to the acquisition use of right of a land during the Reporting Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Accounts Receivable**

Our accounts receivable were approximately RMB693.2 million and RMB887.6 million respectively as at 31 December 2023 and 2024, primarily due to increase in electricity bills in December 2024 not yet collected at the end of the Reporting Period due to increase in electricity sales.

Excluding certain accounts receivable for which bad debts have been provided, the average turnover days of our accounts receivable (calculated by using the average value of the opening and closing balance of the accounts receivable of the relevant period divided by the revenue for the period, and then multiplied by the number of days in the period) were approximately 52.6 days and 67.6 days as at 31 December 2023 and 2024, respectively. The increase in turnover days of accounts receivable during the year was mainly due to the increase in receivables resulting from increase in sales of electricity.

## **Notes Payable**

Our notes payable decreased from RMB150.0 million as at 31 December 2023 to RMB0 as at 31 December 2024, primarily due to the use of notes to pay electricity bills from upstream suppliers in 2023, which were due for repayment during the reporting period.

## **Accounts Payable**

Our accounts payable were approximately RMB786.7 million and RMB1,131.4 million as at 31 December 2023 and 2024, respectively. The increase in accounts payable was mainly due to the increase in electricity purchased from third parties and the increase in scale of electricity installation projects.

The average turnover days of our accounts payable (calculated by using the average value of opening and closing balance of the accounts payable of the relevant period divided by the cost for the period, and then multiplied by the number of days in the period) increased from approximately 71.6 days as at 31 December 2023 to approximately 86.8 days as at 31 December 2024, mainly due to the slowdown in settlement of electricity installation projects affected by the change in market environment.

## **Liquidity and Financial Resources**

The Group manages its capital to ensure that entities of the Group will be able to operate as a going concern while maximizing the return to our Shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the year. The capital structure of the Group consists of net debts (which includes borrowings net of cash and cash equivalents) and total equity (comprising paid-in capital/share capital, capital reserve, statutory surplus reserve, retained profits and non-controlling interests). The Group is not subject to any externally imposed capital requirements.

As at 31 December 2024, our cash and cash equivalents amounted to approximately RMB553.9 million (31 December 2023: approximately RMB490.2 million), among which, the amount for daily operating purpose is approximately RMB314.5 million, and the remaining consists of unused proceeds and special funds for rural grid consolidation and improvement projects. The increase of the balance of cash and cash equivalents was mainly due to the increase in funds held for working capital at the end of the period affected by the adjustment to the settlement cycle.

As at 31 December 2024, the total borrowings of the Group amounted to approximately RMB692.6 million (31 December 2023: approximately RMB657.4 million), including bank loans and other borrowings. All of our bank and other borrowings bear interest at floating rate.

## **Gearing Ratio**

As at 31 December 2024, the gearing ratio of the Group was approximately 18.8% (31 December 2023: approximately 19.3%). Gearing ratio is calculated based on our total interest-bearing liabilities divided by total equity as of the same date.



## MANAGEMENT DISCUSSION AND ANALYSIS

### 4. DIVIDEND

The Board proposed to declare a final dividend of RMB0.14 per Share (tax inclusive) for the year ended 31 December 2024 to the Shareholders whose names appear on the register of members of the Company on 30 June 2025, with the total amount of dividend amounting to approximately RMB150,410,078.00. The declaration of dividend shall be subject to approval by the Shareholders at the AGM, and the final dividend is expected to be paid on 21 July 2025. For more details, please refer to “Dividends and Distribution” of this report.

### 5. GLOBAL OFFERING AND USE OF PROCEEDS FROM GLOBAL OFFERING

The Company was listed on the Stock Exchange on 28 December 2018 and 268,800,000 H Shares with a nominal value of RMB1.00 each was issued at a price of HK\$1.77 per Share (the “Global Offering”). The net proceeds from the Global Offering amounted to approximately RMB380.5 million. The Group has utilized approximately RMB341.9 million of such proceeds from the Global Offering according to purposes disclosed in the Prospectus as at 31 December 2024. The remaining approximately RMB38.6 million has not been used. The use of proceeds is as follows:

As at 31 December 2024, the unused net proceeds from the Global Offering have been deposited as deposits in licensed banks in China and will be used in strict accordance with the progress of the Company’s investment projects. As stated in the Prospectus, the Company intends to use 40% of the net proceeds in the acquisition of power-related assets, as the Group had adopted a more prudent approach with regard to acquisition of power-related assets with a view to ensuring that any such acquisition is only made after more careful consideration and in the interest of the Company and its Shareholders as a whole. As a result, the progress of acquisition of power-related assets has fallen short of expectations, and the Board considered that it is not likely for the Company to be able to apply the funds originally allocated for the above purpose by the original timeline or in a timely manner. As a result, at the Board meeting convened on 19 February 2025, the Board has decided to propose the re-allocation of the remaining net proceeds originally allocated to this segment to be used for replenishing the Group’s working capital, which would enable the Group to deploy its financial resources more efficiently, strengthen the financial health of the Group, and improve the quality of the Group’s services, thereby creating long-term value for the Shareholders. The proposed change in use of proceeds would not have any material adverse effect on the existing business and operation of the Group, but would rather improve the utilization efficiency of the net proceeds and further enhance the Company’s operating capabilities, which is in line with the Company’s development plan and long-term interests. For the reasons stated above, the Board is of the view that the proposed change in use of proceeds is in the best interests of the Group and the Shareholders as a whole. The proposed change in use of proceeds is subject to approval by the Shareholders at the general meeting of the Company. A circular containing, among other things, details of the proposed change in use of proceeds and the notice of the AGM will be published in due course. Further details are set out in the announcement of the Company dated 19 February 2025. Details of the proposed change in the use of proceeds together with the updated expected time of completion of utilisation are set out below:

Use of net proceeds from the Global Offering	Planned use of net proceeds (as set out in the Prospectus) (RMB'000)	Amount of net proceeds unused at 1 January 2024 (RMB'000)	Amount utilized during the Reporting Period (RMB'000)	Amount of net proceeds unused as of 31 December 2024 (RMB'000)	Proposed revision of allocation of the unutilized net proceeds amount (RMB'000)	Updated expected time of completion of utilization of balances
Acquisition of power-related assets	152,193	36,993	0	36,993	–	N/A
Power grid construction and optimization	114,145	–	–	–	–	N/A
Establishment of centralized power dispatching control center and promotion of intelligent power grid system	76,097	–	–	–	–	N/A
Working capital	38,048	2,625	1,053	1,572	38,565	Prior to December 31, 2025
<b>Total</b>	<b>380,483</b>	<b>39,618</b>	<b>1,053</b>	<b>38,565</b>	<b>38,565</b>	

## MANAGEMENT DISCUSSION AND ANALYSIS

Save for the proposed change in use of proceeds as aforementioned, there have been no other major changes or delays in the usage or use of the net proceeds of the Company.

As at 31 December 2024, the net proceeds of the Global Offering that have been utilized by the Company have been used for the purposes previously disclosed in the Prospectus.

### 6. CAPITAL COMMITMENTS

We have certain capital commitments relating to the construction of our transmission and transformation projects and a centralized power dispatching and control center. We will undertake those classified as authorized but not contracted for if the Company's management has identified potential capital commitments and has determined that it is more likely to make the commitment.

The following table sets forth our outstanding capital commitments for the periods indicated:

	As at 31 December	
	2024 (RMB)	2023 (RMB)
Contracted for	249,937,305.28	73,852,517.30

### 7. SIGNIFICANT INVESTMENTS HELD, MAJOR ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2024, the Group had no significant investment and material acquisitions and disposals of subsidiaries, associates or joint ventures.

### 8. PLEDGES OF THE GROUP'S ASSETS

No property, plant and equipment were pledged to banks as at 31 December 2024 (31 December 2023: nil).

### 9. FOREIGN EXCHANGE RISK

The Group currently has no hedging activities that are designed or intended to manage foreign currency exchange rate risk. The Group carries out business in the PRC and receives revenue and pays its costs/expenses in RMB and the dividend paid by the Company to H Shareholders is paid in Hong Kong dollars.

### 10. CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any contingent liabilities (31 December 2023: nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## 11. MAJOR INVESTMENT PLAN

The planned investment in 2025 is approximately RMB1,467 million, including (i) investment in infrastructure of approximately RMB489.5 million; (ii) investment in renovation of fixed assets of approximately RMB423.9 million; (iii) investment in acquisition of fixed assets of approximately RMB141.7 million; (iv) other investments (industry expansion new supporting power grid projects) of approximately RMB336.3 million; (v) equity investment of approximately RMB75.6 million.

These investment plans are to support the growth of business in the region. In addition to the Company's net operating cash inflow, which will be gradually invested in asset investment, it is expected that in 2025, additional bank loans of RMB800 million will be gained to support the sustained and rapid development of the Company. Such facilities will be mainly bank loans, supplemented by letters of credit, bank acceptances and bonds, depending on the market interest rates.

## 12. EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had a total of 2,686 full-time employees (31 December 2023: 2,749). The related employee costs (including Directors' fees) for the year were approximately RMB538 million.

The Group continued to press ahead with the "three-system" reform, and has established a total salary allocation system that is linked to the operating results of the Company, a remuneration allocation mechanism corresponding to the annual and term objectives and responsibilities of the managers and a remuneration allocation mechanism that is linked to the performance appraisal results of employees, so as to give full play to the incentive and constraint role of remuneration and activate the enthusiasm, initiatives and creativity of employees.

The Group has also provided employees with adequate job training, and has formulated annual training plan for the Company at different levels and categories in terms of the Party building and discipline inspection, safety education, production technologies, business knowledge, continuing education, and comprehensive management, and has formulated annual training plan for the Company at different levels and categories. We have studied and revised the Measures for the Management of Education and Training of Sichuan Energy Investment Development Co., Ltd. to ensure the orderly implementation of training programs according to the plan, continuously strengthen the investment in staff training and education, and promote the individual growth and capacity improvement of employees. To attract outstanding employees, the Remuneration Committee under the Board regularly reviews employees' remuneration policies and benefits.

During the Reporting Period, no labor disputes had occurred in the Company and its subsidiaries which would affect the operations of the Group.

## 13. SUBSEQUENT EVENTS

On 27 February 2025, Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.\* (四川能投屏山電力有限公司), a wholly-owned subsidiary of the Company, entered into the Equity Interest Transfer Agreement with Sichuan Jinjiao Real Estate Development Co., Ltd.\* (四川金嬌房地產開發有限公司), pursuant to which Sichuan Energy Power Investment Pingshan Electricity Co., Ltd. agreed to dispose of, and Sichuan Jinjiao Real Estate Development Co., Ltd. agreed to purchase, approximately 49.0% of the equity interests in Pingshan Jinping Real Estate Development Co., Ltd.\* (屏山金屏房地產開發有限公司) at a consideration of RMB12,020,572.63. Prior to the completion of the equity interest transfer, Sichuan Energy Power Investment Pingshan Electricity Co., Ltd. held approximately 49.0% equity interests in Pingshan Jinping Real Estate Development Co., Ltd. Upon completion of the equity interest transfer, the Group will no longer hold any equity interest in Pingshan Jinping Real Estate Development Co., Ltd. Please refer to the announcement of the Company dated 27 February 2025 for details.

Save for the above and the declaration of dividend, there are no material events affecting the Company and any of its subsidiaries after 31 December 2024 and up to the date of this report.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 14. OUTLOOK

### (1) Deepening Quality and Efficiency Enhancement to Improve Operational Effectiveness

Firstly, we shall emphasize lean management. We will continue to deepen state-owned enterprise reforms, address deep-rooted issues such as incomplete systems, imperfect structures, and inadequate execution. Efforts will focus on cost reduction, efficiency enhancement, and unlocking potential, establishing a budget control mechanism covering the entire business chain. Non-productive expenditures will be significantly reduced to continuously improve input-output efficiency. We will further strengthen the full-cycle management of performance assessment indicators, align them with annual targets and key tasks. By scientifically designing assessment criteria, refining evaluation items, and establishing a tailored indicator system, we aim to ensure a more standardized and institutionalized assessment approach that drives the effective implementation of all initiatives. Secondly, we shall optimize human resources. Adhering to a talent strategy of “long-term development, focused cultivation, and leading by example”, we will establish a sustainable mechanism for talent development and recruitment based on unified management and tiered implementation, and continuously strengthen our talent pool and reserve workforce, thereby providing robust human capital support for the Company’s development. We will continue to refine the total wage allocation mechanism, and explore differentiated wage structures tailored to various business types and development stages to sustain the Company’s innovation and value-creation momentum. Thirdly, we shall further enhance our service quality. We will enhance complaint management by establishing a regular complaint analysis mechanism, conduct comprehensive reviews of recurring complaint areas, frequent issues, and peak complaint periods to generate early-warning reports and devise actionable preventive measures. By continuously innovating service models and leveraging advanced technologies, we will strengthen service capability training, and improve on-site resolution and rapid response capabilities to address electricity-related issues promptly, thereby boosting customer satisfaction and experience.

### (2) Strengthening Project Development to Enhance Power Supply Security

Firstly, we shall expand power generation capacity. We will accelerate investment and construction of gas-fired power projects, ensuring full-scale construction of the Xingwen Gas-fired Power Project. Progress on the Yunnan Small Hydropower Project and Xuzhou Pumped Storage Project will be systematically advanced, supporting government efforts in detailed planning and feasibility studies to secure inclusion in national special plans. We will expedite the interconnection construction of nearby hydropower projects such as the Genao River, ensuring timely grid connection and power generation. Secondly, we shall strengthen the power grid. We will strategically plan grid investments, vigorously promote the construction and interconnection of the 220kV grid. Comprehensive efforts will be made to advance rural grid projects, key grid developments, and distribution network upgrades to enhance power supply reliability. Major grid projects, such as the Xuzhou 110kV Cigao Line, will be prioritized to ensure timely completion and commissioning by 30 June 2025. Thirdly, we shall support high-quality new energy development. We will adapt to local conditions to build a clean, low-carbon, safe, abundant, cost-effective, demand-responsive, and smart new power system. By exploring an efficient synergy model integrating electricity, digital technologies, and source-grid-load-storage systems, we will drive the digital and intelligent transformation and development of power grid.

### (3) Optimizing Industrial Layout to Enhance Core Competitiveness

Firstly, we shall enhance capital efficiency. Focusing on green energy development, we will fully leverage the comprehensive advantages of as a listed company and our expertise in power operations, management and technology, to acquire high-quality clean energy projects through share issuance, cash payments or other means. We will strengthen collaboration with central enterprise shareholders and the National Green Fund to further advance green microgrid projects, optimize green energy capital operations and explore diversified models. This will enable us to tell a compelling capital market story of “powering green, advancing innovation”, thereby continuously enhancing capital market appeal and corporate valuation and influence. Secondly, we shall fully expand our green energy portfolio. Balancing the optimization of existing assets with capacity expansion, we will actively deepen cooperation with local governments to develop high-quality green energy projects such as comprehensive energy stations, distributed photovoltaics, and energy storage. Simultaneously, we will accelerate the management of under-construction green energy projects in Changning, Xingwen and Pidun, facilitating early completion, commissioning and profitability of the projects.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **(4) Strengthening Safety Measures to Enhance Risk Prevention and Control Capabilities**

Firstly, we shall reinforce production safety measures. We will advance the three-year action plan to address root causes of production safety issues, implement full-chain and lifecycle safety management across systems and mechanisms, personnel competency, management models, risk controls, and emergency responses. Emergency plans will be continuously refined, with reasonable allocation of emergency equipment and materials. A collaborative mechanism enabling efficient coordination and resource sharing between substations and county-level companies will be established to effectively enhance emergency response capabilities. Regular fire hazard remediation will be conducted for transmission and distribution facilities in forested and pastoral areas, with enhanced discussion and analysis, collaborative actions and zonal and tiered response measures to firmly prevent forest fires caused by power infrastructure. Secondly, we shall ensure stable grid operations. We will conduct ongoing analyses of power system operations and grid safety risks, establish a layered and structured grid operation analysis mechanism covering the full year to improve energy utilization efficiency and overall economic benefits of the Company. We will carry out research into hydrophobic materials, drone technology application, online monitoring of transmission lines, smart substation equipment, low-frequency noise prevention, and stator manufacturing processes for hydropower stations, thereby bolstering the foundation for safe grid operations. Thirdly, we shall strengthen systematic risk management and control. By shifting risk prevention efforts forward and downward, we will further refine internal audit and supervision mechanisms, and improve the rectification and accountability processes for identified issues to ensure state-owned asset preservation and appreciation. Targeted payment collection strategies will be devised on a “one enterprise, one policy” basis to address key challenges in reducing overdue receivables and inventories, ensuring their growth does not exceed revenue growth. Additionally, we will strengthen the management of investee companies such as the vehicle-grid project, Xinggang Electricity, and Micro-credit Company through a dynamic monitoring system ensuring information symmetry, balanced rights and responsibilities, standardized operations, and robust risk controls to prevent loss of state-owned assets.

### **(5) Strengthening Party Leadership to Ensure High-Quality Development with High-Quality Party Building Efforts**

Firstly, we shall enhance theoretical learning. We will sustain improvements to the “first agenda item” system and the Party Committee Theoretical Study Group mechanism, thoroughly study General Secretary Xi Jinping’s key views to ensure deep understanding, integration, and practical application. Secondly, we shall strengthen Party leadership. Adhering to the “two consistencies” principle, we will fully leverage the Party organization’s role in setting direction, overseeing the big picture, and ensuring implementation, make dynamic adjustments to the “List of Matters for Prior Review by the Party Committee” and “List of Matters for Party Committee Decision” to clarify authority and responsibility boundaries, foster efficient collaboration and synergy among governance bodies. Thirdly, we shall build a strong cadre and talent pool. We will strictly implement the system of rigid exits for managerial team members and adjustments for underperforming personnel, as well as the exit mechanism for those deemed unfit, motivating cadres to take responsibility. We will also conduct specialized training on enhancing technology innovation management and vigorously recruit core talent needed for strategic development. Fourthly, we shall strengthen the building of Party conduct and clean governance. By maintaining a strict tone to reinforce discipline and correct conduct, we will continuously advance supervision to make it more specific, precise, and normalized, thereby ensuring the effective implementation of the Party’s guidelines and policies as well as major decisions of higher-level Party committees.

# REPORT OF THE BOARD OF DIRECTORS

In 2024, the Board, in strict accordance with the Company Law, the Listing Rules, the Articles of Association and other relevant laws and regulations, performed its duties in a diligent and faithful manner, carried out the decisions passed at the general meeting, formulated plans for operations and development and focused on the power system reform. All Directors offered suggestions to the Company by leveraging their expertise, providing support for the steady and rapid development of the Company. The work of the Board in 2024 is reported as follows:

## PRINCIPAL BUSINESS

The Group is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation and power distribution and sales. We have a relatively stable user base and a complete power supply network in Yibin City, which allows us to optimize the balanced use of power resources within the power supply network through efficient allocation of electricity. Our current businesses consist of (i) power business, which includes power production, distribution and sales of power which can be divided into general power supply business and incremental power transmission and distribution business; and (ii) EECS business, which consists of power engineering construction services and sales of electrical equipment and materials.

## DIVIDEND POLICY

The Company may declare and pay dividends by way of cash or stock or a combination of both. Distribution of dividends will be determined by the Board at its discretion and will be subject to Shareholders' approval. A decision to declare or to pay any dividends, and the amount of any dividends, will depend on, among other things, our operating results, cash flows, financial condition, operating and capital expenditure requirements, distributable profits as determined under generally accepted accounting principles of the PRC (the "PRC GAAP") or IFRS (whichever is lower), our Articles of Association, the PRC Company Law and any other applicable PRC laws and regulations and other factors that our Directors may consider relevant. In any event, the Company will pay dividends out of the profit after tax only after the following allocations is made:

- recovery of accumulated losses, if any;
- allocation to the PRC statutory reserve an amount equivalent to 10% of our profit after tax, as determined under PRC GAAP; and
- allocation, if any, to a discretionary common reserve fund an amount approved by the shareholders at a general meeting.

The minimum allocation to the PRC statutory reserve is 10% of the profit after tax, as determined under PRC GAAP. When the statutory common reserve fund reaches and is maintained at or above 50% of our registered capital, no further allocation to this PRC statutory reserve will be required. Any distributable profits that are not satisfied in any given year will be retained and become available for distribution in subsequent years.

## DIVIDENDS AND DISTRIBUTION

As at the date of this report, the Board proposed to declare a final dividend of RMB0.14 per Share (tax inclusive) for the year ended 31 December 2024 to Shareholders whose names appear on the register of members of the Company on 30 June 2025, with the total amount of dividend amounting to approximately RMB150,410,078.00. The declaration of dividend shall be subject to approval by Shareholders at the AGM, and the final dividend is expected to be paid on 21 July 2025. As at the date of this annual report, the Company was not aware of any arrangements pursuant to which any Shareholder had waived or agreed to waive any dividends. For the distribution of dividends, dividends to domestic shareholders will be declared and paid in RMB, while dividends to H shareholders will be declared in RMB but paid in Hong Kong dollars. The exchange rate adopted for currency conversion will be the average of the median price for conversion of RMB into Hong Kong dollars announced by the China Foreign Exchange Trading Center during the five business days prior to the date of the AGM.

The Company does not currently hold any treasury shares and will not receive such dividends or distributions, if any.



## REPORT OF THE BOARD OF DIRECTORS

### FINAL DIVIDEND INCOME TAX APPLICABLE TO OVERSEAS SHAREHOLDERS

Under the relevant tax rules and regulations of the PRC (collectively the “**PRC Tax Law**”), the Company is required to withhold enterprise income tax at the rate of 10% when distributing final dividends to non-resident enterprises (such term shall have the meaning as defined under the PRC Tax Law) whose names appear on the H shares register of members of the Company.

In accordance with the PRC Tax Law, the Company is also required to withhold individual income tax when distributing final dividends to individual shareholders whose names appeared on the H shares register of members of the Company. The Company will determine the country of domicile of the individual H Shareholders based on the registered addresses as recorded in the H shares register of members of the Company on the Record Date with details as follows:

For individual H Shareholders who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them.

For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them. If such individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, the Company may make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the tax treaties.

For individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of higher than 10% but lower than 20%, the Company would withhold and pay the individual income tax at the agreed-upon effective tax rate on behalf of them.

For individual H Shareholders who are residents of those countries without any tax treaties with the PRC or having tax treaties with the PRC stipulating a dividend tax rate of 20% or more and other situations, the Company would withhold and pay the individual income tax at a tax rate of 20% on behalf of them.

Should H Shareholders have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax implications in Mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H shares of the Company.

The Company will strictly comply with the requirements of relevant government departments, and will withhold and pay the enterprise/individual income tax on behalf of its shareholders whose names appear on the H-share register of the Company on the record date. The Company will take no responsibility and will reject any requests from shareholders whose identity cannot be confirmed within the specified time or cannot be confirmed at all or any disputes arising from the arrangement of withholding tax or paying tax. However, the Company may provide assistance to the extent of its ability.

# REPORT OF THE BOARD OF DIRECTORS

## CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 13 June 2025 to 18 June 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to be qualified to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, namely Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by holders of H Shares, or to the Company's registered office at No. 789, Renhe Road, Wenjiang District, Chengdu City, Sichuan Province, the PRC for registration by holders of Domestic Shares no later than 4:30 p.m. on 12 June 2025.

In order to determine the entitlement of Shareholders for the final dividend, subject to the approval of the Shareholders at the AGM, the register of members of the Company will be closed from 25 June 2025 to 30 June 2025 (both days inclusive), during which period no transfer of Shares of the Company will be effected. The Company will distribute final dividends to Shareholders whose names appear on the register of members of the Company on 30 June 2025. In order to be qualified to obtain final dividends, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, namely Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by holders of H Shares, or to the Company's registered office at No. 789, Renhe Road, Wenjiang District, Chengdu City, Sichuan Province, the PRC for registration by holders of Domestic Shares no later than 4:30 p.m. on 24 June 2025.

## BUSINESS REVIEW

The business review and performance of the Company for the year ended 31 December 2024 are set out in the section headed "Management Discussion and Analysis" of this annual report. The discussion forms part of this Report of the Board of Directors.

## FINANCIAL REVIEW

The financial review of the Company for the year ended 31 December 2024 is set out in the section headed "Management Discussion and Analysis" of this annual report. The discussion forms part of the Report of the Board of Directors.

## CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the section headed "Corporate Governance Report" of this annual report.

## SHARE CAPITAL

Details of the changes in the share capital of the Company during the year ended 31 December 2024 are set out in note V.28 to the consolidated financial statements of this annual report.

# REPORT OF THE BOARD OF DIRECTORS

## CAPITAL RESERVE, SPECIFIC RESERVE AND SURPLUS RESERVE

Details of the changes in the Company's capital reserve, specific reserve and surplus reserve during the year ended 31 December 2024 are set out in notes V.29, 30 and 31 to the consolidated financial statements of this annual report.

## RETAINED EARNINGS

As at 31 December 2024, the Company's retained earnings are approximately RMB1,248.8 million.

## FIXED ASSETS

Details of the changes in the Company's property, plant and equipment during the year ended 31 December 2024 are set out in note V.10 to the consolidated financial statements of this annual report.

## DIRECTORS

During the year ended 31 December 2024 and up to the date of this annual report, the Board is composed of:

He Jing	Chairman and Executive Director
Wang Yuanchun	Deputy Chairman, Executive Director and General Manager (Deputy Chairman and Executive Director: appointed on 19 March 2024; General Manager: appointed on 26 February 2024)
Li Hui	Deputy Chairman, Executive Director and General Manager (Deputy Chairman and Executive Director: resigned on 19 March 2024; General Manager: resigned on 26 February 2024)
Xie Peixi	Executive Director
Han Chunhong	Non-executive Director
Tao Xueqing	Non-executive Director
Gao Bin	Non-executive Director (appointed on 16 August 2024)
Lv Yan	Non-executive Director (resigned on 16 August 2024)
Zhao Gen	Non-executive Director (appointed on 16 August 2024)
Liang Hong	Non-executive Director (resigned on 16 August 2024)
Kong Ce	Non-executive Director
Siu Chi Hung	Independent Non-executive Director (appointed on 16 August 2024)
Kin Kwong Kwok Gary	Independent Non-executive Director (resigned on 16 August 2024)
Li Jian	Independent Non-executive Director
Mou Yingshi	Independent Non-executive Director (appointed on 16 August 2024)
He Zhen	Independent Non-executive Director (resigned on 16 August 2024)
Chen Chuan	Independent Non-executive Director (appointed on 16 August 2024)
Wang Peng	Independent Non-executive Director (resigned on 16 August 2024)
He Yin	Independent Non-executive Director

The biographies details of the current Directors are set out in the section headed "Directors, Supervisors and Senior Management" in this annual report and details for remuneration of Directors are set out in Note XIV.2 to the consolidated financial statements in this annual report.



## REPORT OF THE BOARD OF DIRECTORS

### INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the year ended 31 December 2024, except for the service contracts, there was no transaction, arrangement or contract of significance to the Company's business in which the Company, any of its subsidiaries, fellow subsidiaries or holding companies was a party, and in which none of the Directors, Supervisors or entities connected with them have or had directly or indirectly material interests.

### MANAGEMENT CONTRACT

During the year ended 31 December 2024, the Company did not enter into nor did the Company have any existing contracts for the management and operation of all or part of the Company's material businesses.

### DIRECTORS' AND SUPERVISORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the year ended 31 December 2024, none of the Company, controlling shareholders or the companies under the same controlling shareholders with the Company was a party of any arrangement to entitle the Directors and Supervisors of the Company or their associates to acquire benefits by means of the acquisition of shares in or debentures of them.

### DIRECTORS' AND SUPERVISORS' SERVICE CONTRACT

Each of the executive Directors, non-executive Directors and the independent non-executive Directors has entered into a service contract with the Company which is consistent with the term of the fifth session of the Board of the Company. The service contract may be renewed in accordance with the Articles of Association and applicable laws, rules and regulations.

The Supervisors have entered into contracts with the Company which is consistent with the term of the fourth session of the Supervisory Committee, in respect of, among other things, the compliance with the relevant laws and regulations, the Articles of Association and the provisions on arbitration.

During the year of 2024, none of the Directors or Supervisors has entered into any service contract with the Company which does not expire or is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

### REMUNERATION OF DIRECTORS AND SUPERVISORS

Details for remuneration of Directors and Supervisors are set out in note XIV.2 to the consolidated financial statements in this annual report.

## REPORT OF THE BOARD OF DIRECTORS

### DETERMINATION OF AND BASIS FOR DETERMINATION OF REMUNERATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at 31 December 2024, there were 13 Directors in the Company, including five non-executive Directors who did not receive remuneration from the Company; five independent non-executive Directors, among whom Mr. Siu Chi Hung, Mr. Mou Yingshi, Mr. Chen Chuan, Prof. Li Jian and Ms. He Yin received remuneration from the Company, for which the remuneration shall be subject to the remuneration standards approved by the general meeting; and three executive Directors, including Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi who did not receive separate directors' fees for their office as executive Directors while receiving the corresponding remuneration for their management-level positions in the Company. The emoluments of the Directors are determined based on the responsibilities and experience, prevailing market conditions and the remuneration policy of the Company as determined by the Board or its delegated committee.

There were six Supervisors in the Company, including two employee Supervisors who received the corresponding remuneration for their positions in the Company while not receiving remuneration for Supervisors, and the other four Supervisors who had not received any remuneration from the Company.

Annual remuneration system is applied for the senior management of the Company, where their remuneration consists of basic remuneration, annual performance pay, tenure incentives, medium-and-long-term incentives and bonuses. Details of the remunerations of the Directors and five highest paid individuals during the Reporting Period are disclosed in note XIV.2 and note XIV.3 of the notes to the consolidated financial statements.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024, to the best knowledge of the Board, none of the Directors of the Company and their respective associates was interested in any business which competed or was likely to compete with the business of the Group, or caused or was likely to cause any other conflict of interest to the Group.

### DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, according to the information obtained by the Company and to the best knowledge of the Company, none of our Directors, Supervisors or chief executives of the Company has for the purpose of Divisions 7 and 8 of Part XV of the SFO, nor is any of them taken to or deemed to have under Divisions 7 and 8 Part XV of the SFO, any interests and short positions in the shares, underlying shares and debentures of the Group or any of its associated corporations (within the meaning of Part XV of the SFO) or any interests which will have to be registered in the register to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

# REPORT OF THE BOARD OF DIRECTORS

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2024, within the knowledge of the Directors, the following persons (other than the Directors, Supervisors or chief executive of the Company) had an interest or a short position in the shares or underlying shares that would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO:

Name of shareholder	Capacity	Class of Shares	Number of Shares (Note 1)	Long position/ short position	Percentage of total Shares (%)	Percentage of Shares of the same class issued (%)
Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限責任公司) (Note 2)	Interest of controlled corporations	Domestic Shares	286,960,942	Long	26.71	100.00
	Beneficial owner and interest of controlled corporations	H Shares	132,375,058	Long	12.32	16.81
Sichuan Energy Investment Group Co., Ltd.* (四川省能源投資集團有限責任公司) (Note 2)	Interest of controlled corporations	Domestic Shares	286,960,942	Long	26.71	100.00
	Interest of controlled corporations	H Shares	107,437,458	Long	10.00	13.64
Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司)	Beneficial owner	Domestic Shares	286,960,942	Long	26.71	100.00
	Beneficial owner	H Shares	107,437,458	Long	10.00	13.64
China Power International Development Limited (中國電力國際發展有限公司)	Beneficial owner	H Shares	98,039,200	Long	9.13	12.45
China Three Gorges Corporation* (中國長江三峽集團有限公司) (Note 3)	Interest of controlled corporations	H Shares	98,039,200	Long	9.13	12.45
Three Gorges Capital Holdings Company Limited* (三峽資本控股有限公司)	Beneficial owner	H Shares	98,039,200	Long	9.13	12.45
Gao County State-owned Assets Operation and Management Co., Ltd.* (高縣國有資產經營管理有限責任公司)	Beneficial owner	H Shares	92,406,000	Long	8.60	11.74
Tianqi Lithium HK CO., Ltd (天齊鋰業香港有限公司)	Beneficial owner	H Shares	77,500,000	Long	7.21	9.84
Yibin Development Holding Group Co., Ltd.* (宜賓發展控股集團有限公司)	Beneficial owner	H Shares	65,359,500	Long	6.08	8.30
Tian Qiu (田秋) (Note 4)	Interest of controlled corporations and interest of spouse	H Shares	62,570,000	Long	5.82	7.95
Wang Wenxiang (王文香) (Note 4)	Interest of controlled corporations and interest of spouse	H Shares	62,570,000	Long	5.82	7.95
Sichuan Jinneng Energy Group Co., Ltd.* (四川金能能源集團有限公司) (Note 4)	Interest of controlled corporations	H Shares	62,570,000	Long	5.82	7.95
Jinneng Holding (Hong Kong) Limited	Beneficial owner	H Shares	62,570,000	Long	5.82	7.95
Beijing Forever Technology Company Limited* (北京恆華偉業科技股份有限公司)	Beneficial owner	H Shares	55,366,000	Long	5.15	7.03



## REPORT OF THE BOARD OF DIRECTORS

### Notes:

1. As at 31 December 2024, the Company has issued 286,960,942 Domestic Shares and 787,396,758 H Shares. The total number of issued Shares was 1,074,357,700 shares.
2. As at 31 December 2024, Hydropower Group held 286,960,942 Domestic Shares and 107,437,458 H Shares, and Hydropower Group is held as to 77.74% of equity interest by Energy Investment Group which is held as to 84.16% of equity interest by Sichuan Development. Therefore, Energy Investment Group is deemed to be interested in 286,960,942 Domestic Shares and 107,437,458 H Shares held by Hydropower Group pursuant to Part XV of the SFO; Sichuan Development is also deemed to be interested in the said 286,960,942 Domestic Shares and 107,437,458 H Shares. In addition, Sichuan Development directly held 24,937,600 Domestic Shares of the Company, thus Sichuan Development was deemed to hold a total of 286,960,942 Domestic Shares and 132,375,058 H Shares.
3. As at 31 December 2024, Three Gorges Capital Holdings Company Limited held 98,039,200 H Shares. Three Gorges Capital Holdings Company Limited is directly and indirectly controlled as to 90% of shareholdings by China Three Gorges Corporation. Therefore, according to Part XV of the SFO, China Three Gorges Corporation is deemed to be interested in 98,039,200 H Shares.
4. As at 31 December 2024, Jinneng Holding (Hong Kong) Limited held 62,570,000 H Shares. Jinneng Holding (Hong Kong) Limited is directly wholly-owned by Sichuan Jinneng Energy Group Co., Ltd., which was owned as to 70% and 30% by Mr. Tian Qiu and Ms. Wang Wenxiang, respectively. In addition, Mr. Tian Qiu and Ms. Wang Wenxiang are couples. Therefore, according to Part XV of the SFO, Sichuan Jinneng Energy Group Co., Ltd. is deemed to be interested in 62,570,000 H Shares held by Jinneng Holding (Hong Kong) Limited. Mr. Tian Qiu and Ms. Wang Wenxiang are also deemed to be interested in the 62,570,000 H Shares above.

Save as disclosed above, as of 31 December 2024, the Company was not aware of any other persons (other than the Directors, Supervisors or chief executive of the Company) have an interest or a short position in the shares or underlying shares that would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO.

## CHANGES IN INFORMATION ON DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

According to Rule 13.51B(1) of the Listing Rules, changes in information of Directors, Supervisors and chief executive during the period from the date of the 2024 interim report up to the date of this report are as follows:

1. Mr. Gao Bin ceased to be the chairman of the supervisory committee of Gao County Development and Investment Group Company Limited\* (高縣發展投資集團有限責任公司) with effect from September 2024, has been a deputy general manager of Gao County Development and Investment Group Company Limited since September 2024, and has been a director of Gao County Development and Investment Group Company Limited since December 2024.
2. Mr. Kong Ce has been a director and the acting general manager of Sichuan Tianqi Shenghe Lithium Co., Ltd.\* (四川天齊盛合鋰業有限公司) since June 2024. Mr. Kong ceased to be the director of administration and public affairs of Tianqi Lithium Corporation (a company listed on the Stock Exchange, stock code: 9696, and on the Shenzhen Stock Exchange, stock code: SZ002466) with effect from June 2024.
3. Mr. Chen Chuan ceased to be an independent director of Sichuan Junyi Digital Technology Co., Ltd.\* (四川君逸數碼科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301172) with effect from July 2024.

## REPORT OF THE BOARD OF DIRECTORS

After making specific enquiries by the Company and confirmed by the Directors, Supervisors and chief executives, save as disclosed above, no other changes in the information of any Directors, Supervisors and chief executives that are required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Listing Rules have to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the above-mentioned periods.

### NON-EXEMPT CONNECTED TRANSACTIONS

For the year ended 31 December 2024, the Group had the following connected transactions with its controlling shareholders or subsidiaries. (A) As the highest applicable percentage ratio of the transactions contemplated under agreements (1) to (6) below on an aggregated basis is less than 5% but the relevant consideration exceeds HK\$3 million, the relevant transactions are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. (B) As the highest applicable percentage ratios of the transactions contemplated under agreements (7) to (11) below on an aggregated basis (i) exceed 5% but are lower than 25%, the transactions contemplated thereunder constitute major transactions of the Company, which are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules; and (ii) exceed 5% and the total consideration exceeds HK\$10,000,000, the transactions contemplated thereunder constitute connected transactions of the Company, which are subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### (1) EPC Contract 1

On 26 February 2024, after trading hours, Sichuan Energy Investment Gao County Electricity Co., Ltd.\* (四川能投高縣電力有限公司) ("**Gao County Electricity**") (being a wholly-owned subsidiary of the Company) as principal, and Sichuan Energy Investment Development Construction Co., Ltd.\* (四川能投發展建設有限公司) ("**Sichuan Energy Investment Development Construction**"), Sichuan Shengchang Construction Engineering Design Co., Ltd.\* (四川盛昶建築工程設計有限公司) ("**Sichuan Shengchang**") and Sichuan Tuolang Construction Engineering Co., Ltd.\* (四川拓浪建設工程有限公司) ("**Sichuan Tuolang**") as contractors, entered into the EPC Contract 1, pursuant to which Gao County Electricity agreed to engage Sichuan Energy Investment Development Construction, Sichuan Shengchang and Sichuan Tuolang to provide relevant EPC services in relation to the Project 1. Contract price amounted to RMB6,942,885 (tax inclusive), which comprises (i) the survey and design fee of RMB258,755 (tax inclusive); (ii) the construction and installation fee of RMB5,948,807.47 (tax inclusive); and (iii) the equipment procurement fee of RMB735,322.53 (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by the principal. Based on the Company's past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 10% from the estimated contract price. The entire sum of the contract sum of EPC Contract 1 would be financed by the Hydropower Group Construction and Management Agency Remaining Funds. For such portion of assets which are financed by the Hydropower Group Construction and Management Agency Remaining Funds, the ownership of such portion of assets would belong to the Hydropower Group upon completion of the project, accordingly, the portion of the works of the project which is financed by the Hydropower Group Construction and Management Agency Remaining Funds would be connected transactions of the Company. Further details are set out in the Company's announcement dated 26 February 2024.

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### (2) EPC Contract 2

On 26 February 2024, after trading hours, Sichuan Energy Investment Xingwen Electricity Co., Ltd.\* (四川能投興文電力有限公司) (“**Xingwen Electricity**”) (being a wholly-owned subsidiary of the Company) as principal, and Sichuan Energy Investment Development Construction, Sichuan Energy Investment Integrated Energy Co., Ltd.\* (四川能投綜合能源有限公司) (“**Sichuan Energy Investment Integrated Energy**”) and Sichuan Energy Investment Materials Industry Group Co., Ltd.\* (四川能投物資產業集團有限公司) (“**Materials Industry Group**”) as contractors, entered into the EPC Contract 2, pursuant to which Xingwen Electricity agreed to engage Sichuan Energy Investment Development Construction, Sichuan Energy Investment Integrated Energy and Materials Industry Group to provide relevant EPC services in relation to the Project 2. Contract price amounted to RMB38,203,053 (tax inclusive), which comprises (i) the design fee of RMB961,677 (tax inclusive) in total; (ii) the construction and installation fee of RMB14,042,880 (tax inclusive) in total; and (iii) the equipment procurement fee of RMB23,198,496 (tax inclusive) in total, subject to completion and settlement audit report issued by an audit institution engaged by the principal. Based on the Company’s past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 10% from the estimated contract price. Out of the contract sum of EPC Contract 2 of RMB38,203,053 (tax inclusive), a total of RMB32,728,467 would be financed by the Hydropower Group Construction and Management Agency Remaining Funds, and a total of RMB5,474,586 would be financed by the Own Development Remaining Funds. Hydropower Group and Energy Investment Group (the holding company of Hydropower Group) are two of the controlling shareholders of the Company. Certain parties to the EPC Contracts are associates of Hydropower Group or Energy Investment Group: (i) Sichuan Energy Investment Integrated Energy is a wholly-owned subsidiary of Hydropower Group; and (ii) Materials Industry Group is a wholly-owned subsidiary of Energy Investment Group. Accordingly, Hydropower Group, Energy Investment Group, Sichuan Energy Investment Integrated Energy and Materials Industry Group are connected persons of the Company under Rule 14A.07 of the Listing Rules. Under the EPC Contracts, the portion of assets constructed which are financed by the Hydropower Group Construction and Management Agency Remaining Funds are distinguishable and separated from those financed by the Own Development Remaining Funds. Pursuant to the arrangements agreed between the Group and Hydropower Group, (i) for such portion of assets which are financed by the Hydropower Group Construction and Management Agency Remaining Funds, the ownership of such portion of assets would belong to the Hydropower Group upon completion of the project; and (ii) for such portion of assets which are financed by the Own Development Remaining Funds, the ownership of such portion of assets would belong to the Group. Against this backdrop, and after considering the ownership of the assets after completion and the sources of funding of the contract sum under the EPC Contracts, the Group considers that under the EPC Contracts, (i) the portion of the works of the project which is financed by the Hydropower Group Construction and Management Agency Remaining Funds would be connected transactions of the Company; and (ii) for the portion of the works of the project which is financed by the Own Development Remaining Funds, such works which are undertaken by connected persons of the Company (i.e. Sichuan Energy Investment Integrated Energy and Materials Industry Group) would be connected transactions of the Company. Further details are set out in the Company’s announcement dated 26 February 2024.

### (3) EPC Contract 3

On 26 February 2024, after trading hours, Sichuan Energy Investment Pingshan Electricity Co., Ltd.\* (四川能投屏山電力有限公司) (“**Pingshan Electricity**”) (being a wholly-owned subsidiary of the Company) as principal, and Sichuan Energy Investment Development Construction and Sichuan Tuolang as contractors, entered into the EPC Contract 3, pursuant to which Pingshan Electricity agreed to engage Sichuan Energy Investment Development Construction and Sichuan Tuolang to provide relevant EPC services in relation to the Project 3. Contract price amounted to RMB7,448,550 (tax inclusive), which comprises (i) the design fee of RMB280,643 (tax inclusive) in total; (ii) the construction and installation and other fees of RMB2,263,069 (tax inclusive) in total; and (iii) the equipment procurement fee of RMB4,904,838 (tax inclusive) in total, subject to completion and settlement audit report issued by an audit institution engaged by the principal. Based on the Company’s past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 10% from the estimated contract price. Out of the contract sum of EPC Contract 3 of RMB7,448,550 (tax inclusive), a total of RMB2,992,587 would be financed by the Hydropower Group Construction and Management Agency Remaining Funds, and a total of RMB4,455,963 would be financed by the Own Development Remaining Funds. For such portion of assets which are financed by the Hydropower Group Construction and Management Agency Remaining Funds, the ownership of such portion of assets would belong to the Hydropower Group upon completion of the project, accordingly, the portion of the works of the project which is financed by the Hydropower Group Construction and Management Agency Remaining Funds would be connected transactions of the Company. Further details are set out in the Company’s announcement dated 26 February 2024.



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## (4) EPC Contract 4

On 26 February 2024, after trading hours, Sichuan Energy Investment Junlian Electricity Co., Ltd.\* (四川能投筠連電力有限公司) (“**Junlian Electricity**”) (being a wholly-owned subsidiary of the Company) as principal, and Sichuan Energy Investment Development Construction and Sichuan Energy Investment Integrated Energy as contractors, entered into the EPC Contract 4, pursuant to which Junlian Electricity agreed to engage Sichuan Energy Investment Development Construction and Sichuan Energy Investment Integrated Energy to provide relevant EPC services in relation to the Project 4. Contract price amounted to RMB19,844,857 (tax inclusive), which comprises (i) the design fee of RMB755,283 (tax inclusive) in total; and (ii) the construction and installation and other fees of RMB19,089,574 (tax inclusive) in total, subject to completion and settlement audit report issued by an audit institution engaged by the principal. Based on the Company’s past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 10% from the estimated contract price. Out of the contract sum of EPC Contract 4 of RMB19,844,857 (tax inclusive), a total of RMB15,478,989 would be financed by the Hydropower Group Construction and Management Agency Remaining Funds, and a total of RMB4,365,868 would be financed by the Own Development Remaining Funds. Hydropower Group is a controlling shareholder of the Company, and Sichuan Energy Investment Integrated Energy is a wholly-owned subsidiary of Hydropower Group. Accordingly, Hydropower Group and Sichuan Energy Investment Integrated Energy are connected persons of the Company under Rule 14A.07 of the Listing Rules. Under the EPC Contracts, the portion of assets constructed which are financed by the Hydropower Group Construction and Management Agency Remaining Funds are distinguishable and separated from those financed by the Own Development Remaining Funds. Pursuant to the arrangements agreed between the Group and Hydropower Group, (i) for such portion of assets which are financed by the Hydropower Group Construction and Management Agency Remaining Funds, the ownership of such portion of assets would belong to the Hydropower Group upon completion of the project; and (ii) for such portion of assets which are financed by the Own Development Remaining Funds, the ownership of such portion of assets would belong to the Group. Against this backdrop, and after considering the ownership of the assets after completion and the sources of funding of the contract sum under the EPC Contracts, the Group considers that under the EPC Contracts, (i) the portion of the works of the project which is financed by the Hydropower Group Construction and Management Agency Remaining Funds would be connected transactions of the Company; and (ii) for the portion of the works of the project which is financed by the Own Development Remaining Funds, such works which are undertaken by a connected person of the Company (i.e. Sichuan Energy Investment Integrated Energy) would be connected transactions of the Company. Further details are set out in the Company’s announcement dated 26 February 2024.

## (5) Equipment and Materials Procurement Contract

On 26 February 2024, after trading hours, Junlian Electricity (being a wholly-owned subsidiary of the Company) as principal, and Materials Industry Group as Contractor, entered into the Equipment and Materials Procurement Contract, pursuant to which Junlian Electricity agreed to engage Materials Industry Group to provide procurement of equipment and materials service in relation to the Project 4 under EPC Contract 4. Contract price amounted to RMB3,482,295.74 (tax inclusive) in total, subject to completion and settlement audit report issued by an audit institution engaged by the principal. Based on the Company’s past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 10% from the estimated contract price. Out of the contract sum of Equipment and Materials Procurement Contract of RMB3,482,295.74 (tax inclusive), a total of RMB2,716,190.68 would be financed by the Hydropower Group Construction and Management Agency Remaining Funds, and a total of RMB766,105.06 would be financed by the Own Development Remaining Funds. Hydropower Group and Energy Investment Group (the holding company of Hydropower Group) are two of the controlling shareholders of the Company, and Materials Industry Group is a wholly-owned subsidiary of Energy Investment Group. Accordingly, Hydropower Group, Energy Investment Group and Materials Industry Group are connected persons of the Company under Rule 14A.07 of the Listing Rules. Under the EPC Contracts, the portion of assets constructed which are financed by the Hydropower Group Construction and Management Agency Remaining Funds are distinguishable and separated from those financed by the Own Development Remaining Funds. Pursuant to the arrangements agreed between the Group and Hydropower Group, (i) for such portion of assets which are financed by the Hydropower Group Construction and Management Agency Remaining Funds, the ownership of such portion of assets would belong to the Hydropower Group upon completion of the project; and (ii) for such portion of assets which are financed by the Own Development Remaining Funds, the ownership of such portion of assets would belong to the Group. Against this backdrop, and after considering the ownership of the assets after completion and the sources of funding of the contract sum under the EPC Contracts, the Group considers that for the portion of the works of the project which is financed by the Own Development Remaining Funds, such works which are undertaken by a connected person of the Company (i.e. Materials Industry Group) would be connected transactions of the Company. Further details are set out in the Company’s announcement dated 26 February 2024.

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### (6) EPC Contract in relation to the Gong County Rural Power Grid Remaining Funds (from 2005 to 2015) Adjustment Project

On 13 June 2024 (after trading hours), (i) Sichuan Energy Investment Gong County Electricity Co., Ltd.\* (四川能投珙縣電力有限公司) (“Gong County Electricity”) (being a subsidiary of the Company) as principal, and (ii) Sichuan Energy Investment Development Construction Co., Ltd.\* (四川能投發展建設有限公司) (“Sichuan Energy Investment Development Construction”) and Sichuan Tuolang Construction Engineering Co., Ltd.\* (四川拓浪建設工程有限公司) (“Sichuan Tuolang”) as contractors, entered into a EPC contract dated 13 June 2024, pursuant to which Gong County Electricity agreed to engage Sichuan Energy Investment Development Construction and Sichuan Tuolang to provide relevant EPC services in relation to the Gong County Rural Power Grid Remaining Funds (from 2005 to 2015) Adjustment Project, comprising, among others, the construction of 10kV cable line, 10kV double circuit overhead line, steel poles, on-post circuit breakers and ring main units. The total estimated contract price of the EPC contract amounted to RMB7,939,307. Pursuant to the EPC contract, the payment of the contract price shall be financed by the Hydropower Group Construction and Management Agency Remaining Funds (which are contributed by Hydropower Group), and the ownership of the assets to be constructed shall belong to the Hydropower Group upon completion of the project. Against such backdrop, the Group considers that the transaction contemplated under the EPC contract shall be connected transaction pursuant to Chapter 14A of the Listing Rules. Further details are set out in the Company’s announcement dated 13 June 2024.

### (7) EPC Contract for 10kV and Below Project

On 3 July 2024, the 10kV and Below Project Implementation Units (all of which are subsidiaries of the Company) entered into the EPC Contract for 10kV and Below Project with, among others, Hydropower Group, Sichuan Energy Investment Construction Engineering Group Co., Ltd.\* (四川能投建工集團有限公司) (“**Sichuan Energy Construction**”), Sichuan Energy Investment Integrated Energy and Sichuan Energy Investment Development Construction, pursuant to which Sichuan Energy Construction, Sichuan Energy Investment Integrated Energy and Sichuan Energy Investment Development Construction agreed to provide engineering, procurement and construction services for the 10kV and Below Project. The total estimated contract price is RMB967,673,620.00 (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Out of the total contract price, it is envisaged that the 10kV and Below Project Implementation Units shall share and be responsible for the payment of RMB207,875,798.00 (tax inclusive). Based on the Company’s past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price. Hydropower Group is one of the controlling shareholders of the Company and certain Other 10kV and Below Project Implementation Units (as defined below) are associates of Hydropower Group. Sichuan Energy Construction is a direct subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Sichuan Energy Investment Integrated Energy is a wholly-owned subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sichuan Energy Construction, Sichuan Energy Investment Integrated Energy and certain Other 10kV and Below Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the EPC Contract for 10kV and Below Project constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. Further details are set out in the Company’s announcement dated 3 July 2024 and circular dated 20 September 2024.

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### (8) Equipment and Materials Procurement Contract

On 3 July 2024, the 10kV and Below Project Implementation Units (all of which are subsidiaries of the Company) entered into the Equipment and Materials Procurement Contract with, among others, Hydropower Group and Materials Industry Group, pursuant to which, Materials Industry Group agreed to provide procurement of equipment and materials service for the 10kV and Below Project. Contract price amounted to RMB972,316,337.92 (tax inclusive) (out of which the 10kV and Below Project Implementation Unit shall share and be responsible for the payment of RMB208,728,821.67 (tax inclusive)), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Based on the Company's past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price. Hydropower Group is one of the controlling shareholders of the Company and certain Other 10kV and Below Project Implementation Units are associates of Hydropower Group. Materials Industry Group is a wholly-owned subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Materials Industry Group and certain Other 10kV and Below Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Equipment and Materials Procurement Contract constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. Further details are set out in the Company's announcement dated 3 July 2024 and circular dated 20 September 2024.

### (9) EPC Contract for 35kV and Above Project

On 3 July 2024, the 35kV and Above Project Implementation Units (all of which are subsidiaries of the Company) entered into the EPC Contract for 35kV and Above Project with Hydropower Group, Sichuan Energy Construction, Sichuan Energy Investment Integrated Energy and Sichuan Energy Investment Development Construction, pursuant to which, Sichuan Energy Construction, Sichuan Energy Investment Integrated Energy and Sichuan Energy Investment Development Construction agreed to provide engineering, procurement and construction services for the 35kV and Above Project. Contract price amounted to RMB718,304,068.00 (tax inclusive), which comprises (i) the survey and design fee of RMB25,580,365.00 (tax inclusive); (ii) the construction fee and other fee of RMB382,589,103.00 (tax inclusive); and (iii) the equipment procurement fee of RMB310,134,600.00 (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Out of the total estimated contract price of RMB718,304,068.00 (tax inclusive), it is envisaged that (i) the 35kV and Above Project Implementation Units shall share and be responsible for the payment of RMB107,836,000 (tax inclusive); and (ii) Sichuan Energy Investment Development Construction as one of the contractors, will receive RMB103,906,990 (tax inclusive) for the services to be rendered. Based on the Company's past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price. Hydropower Group is one of the controlling shareholders of the Company and certain Other 35kV and Above Project Implementation Units (as defined below) are associates of Hydropower Group. Sichuan Energy Construction is a direct subsidiary of Energy Investment Group, which is one of the controlling shareholders of the Company. Sichuan Energy Investment Integrated Energy is a wholly-owned subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sichuan Energy Construction, Sichuan Energy Investment Integrated Energy and certain Other 35kV and Above Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the EPC Contract for 35kV and Above Project constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. Further details are set out in the Company's announcement dated 3 July 2024 and circular dated 20 September 2024.



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### (10) EPC Contract for Automation Engineering Project

On 3 July 2024, after trading hours, the Automation Engineering Project Implementation Units (all of which are subsidiaries of the Company) entered into the EPC Contract for Automation Engineering Project with among others, Hydropower Group, Sun Technology Company Limited\* (成都太陽高科技有限責任公司) (“**Sun Technology**”) and Sichuan Energy Consolidated Energy Co., Ltd.\* (四川能投綜合能源有限公司) (“**Sichuan Energy Consolidated Energy**”), pursuant to which, Sun Technology and Sichuan Energy Consolidated Energy agreed to provide engineering, procurement and construction services for the communication and auxiliary control and automation improvement engineering and communication improvement engineering of the Automation Engineering Project. Contract price amounted to RMB90,694,397.00 (tax inclusive), which comprises (i) the design fee of RMB3,175,063.00 (tax inclusive); (ii) the construction fee and other fee of RMB13,426,622.00 (tax inclusive); and (iii) the equipment procurement fee of RMB74,092,712.00 (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Out of the total estimated contract price of RMB90,694,397.00 (tax inclusive), it is envisaged that the Automation Engineering Project Implementation Units shall share and be responsible for the payment of RMB9,863,897 (tax inclusive). Based on the Company’s past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price. Hydropower Group is one of the controlling shareholders of the Company and certain Other Automation Engineering Project Implementation Units (as defined below) are associates of Hydropower Group. Sun Technology is a direct subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Sichuan Energy Consolidated Energy is a wholly-owned subsidiary of Hydropower Group, which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sun Technology, Sichuan Energy Consolidated Energy and certain Other Automation Engineering Project Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the EPC Contract for Automation Engineering Project constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. Further details are set out in the Company’s announcement dated 3 July 2024 and circular dated 20 September 2024.

### (11) Construction Supervision Contract

On 3 July 2024, the Construction Supervision Implementation Units (all of which are subsidiaries of the Company) entered into the Construction Supervision Contract with, among others, Hydropower Group and Sichuan Yilian Construction Project Management Co., Ltd\* (四川億聯建設工程項目管理有限公司) (“**Sichuan Yilian**”), pursuant to which, Sichuan Yilian agreed to provide construction supervision service. Contract price amounted to RMB39,932,942.00 (tax inclusive), subject to completion and settlement audit report issued by an audit institution engaged by Hydropower Group. Out of the total estimated contract price of RMB39,932,942.00 (tax inclusive), it is envisaged that the Construction Supervision Implementation Units shall share and be responsible for the payment of RMB7,733,670 (tax inclusive). Based on the Company’s past experience and estimation, the final settlement amount is expected to have a fluctuation of no more than 5% from the estimated contract price. Hydropower Group is one of the controlling shareholders of the Company and certain Other Construction Supervision Implementation Units (as defined below) are associates of Hydropower Group. Sichuan Yilian is indirectly owned as to approximately 33.52% by Energy Investment Group which is one of the controlling shareholders of the Company. Accordingly, Hydropower Group, Sichuan Yilian and the Other Construction Supervision Implementation Units are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Construction Supervision Contract constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. Further details are set out in the Company’s announcement dated 3 July 2024 and circular dated 20 September 2024.

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## NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

### (1) Renewal of Leasing of Substations (2024)

On 23 February 2023, Sichuan Energy Investment Development Construction (as lessor) entered into the 2023 Substations Leasing Agreement with Changning Natural Gas (as lessee) to renew the 2022 Substations Leasing Agreement, pursuant to which the former shall lease six temporary substations to Changning Natural Gas from 1 January 2023 to 31 December 2023.

On 28 December 2023, the Board resolved to approve Sichuan Energy Investment Development Construction, a wholly-owned subsidiary of the Company, to enter into the 2024 Substations Leasing Agreement with Changning Natural Gas to renew the leasing of substations under the 2023 Substations Leasing Agreement, pursuant to which Sichuan Energy Investment Development Construction shall lease six temporary substations to Changning Natural Gas from 1 January 2024 to 31 December 2024. The total rental under the 2024 Substations Leasing Agreement shall not exceed RMB5,600,000, which is based on the sum of the total lease payment of each of the six temporary substations based on their respective monthly rental over the lease period of 12 months under the 2024 Substations Leasing Agreement. Rental payment should be paid by Changning Natural Gas to Sichuan Energy Investment Development Construction every three months.

The monthly rental rate of the six temporary substations is determined on arm's length basis with reference to the prevailing market rates, the tariffs for power transmission and distribution at the relevant locations and the rent charged by Sichuan Energy Investment Development Construction to other independent third parties. The monthly rental rate under the 2024 Substations Leasing Agreement offered by Sichuan Energy Investment Development Construction to Changning Natural Gas is not lower than the rate offered to independent third parties.

On 24 December 2024, Sichuan Energy Investment Development Construction and Changning Natural Gas agreed to retrospectively apply an updated rental rate on the Lease (2024), and as a result the Existing Annual Cap (2024) is revised from RMB5,600,000 to RMB5,900,000 for the year ending 31 December 2024.

The annual cap of the transaction contemplated under the 2024 Substations Leasing Agreement for the year ended 31 December 2024 after the aforesaid revision of the Existing Annual Cap (2024) is RMB5,900,000, which is based on the total amount of rental payable under the 2024 Substations Leasing Agreement. According to the terms of the 2024 Substations Leasing Agreement, the lease of all six temporary substations to Changning Natural Gas will all expire within the year ended 31 December 2024.

The actual total amount of rental from 1 January 2024 to 31 December 2024 under the 2024 Substations Leasing Agreement was approximately RMB5,859,815.

Further details are set out in the Company's announcements dated 28 December 2023 and 24 December 2024.

### (2) Renewal of Electricity Purchases and Sales Agreement (2022 to 2024)

On 28 March 2019, Sichuan Energy Investment Gong County Electricity Co., Ltd\* (四川能投珙縣電力有限公司) ("**Gong County Electricity**"), a wholly-owned subsidiary of the Company, entered into the Electricity Purchases and Sales Agreement with Yunnan Yiliangruiyuan Hydropower Development Co., Ltd. (雲南彝良瑞源水電開發有限公司) ("**Yiliangruiyuan Hydropower**"), pursuant to which, Yiliangruiyuan Hydropower agreed to supply electricity to the Group. The Electricity Purchases and Sales Agreement is valid for a term from the date of execution until 31 December 2021, and may be renewed upon expiration subject to requirements regarding continuing connected transactions under the Listing Rules. The Electricity Purchases and Sales Agreement expired on 31 December 2021.

On 28 December 2021, Gong County Electricity entered into the 2022 Electricity Purchases and Sales Agreement with Yiliangruiyuan Hydropower, for a fixed term of three years commencing from 1 January 2022 and ending on 31 December 2024, pursuant to which, Yiliangruiyuan Hydropower agreed to supply electricity to Gong County Electricity.

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The unit price of electricity payable by Gong County Electricity shall be RMB0.32 per kwh (inclusive of tax), which is determined on the basis of the price of electricity Gong County Electricity purchased electricity from other relatively small independent third-party electricity suppliers in Yunnan Province, the PRC, and subject to the adjustment under Notice of the Sichuan Development and Reform Commission on Adjusting the Relevant Issues Concerning Electricity Price Policy for the Water-sufficient and Water-deficit Seasons and Peak and Off-peak Hours of the Power Grid in Sichuan Province\* (《四川省發展改革委關於調整四川電網豐枯峰穀電價政策有關事項的通知》). The amount of purchase of electricity shall be the unit price of electricity, namely RMB0.32 per kwh, multiplied by the actual volume of on-grid electricity supplied by Yiliangruiyuan Hydropower to Gong County Electricity.

The parties have agreed that the purchases price of electricity of the 2022 Electricity Purchases and Sales Agreement shall be paid by Gong County Electricity in cash on a monthly basis.

The proposed annual caps of the transactions contemplated under the 2022 Electricity Purchases and Sales Agreement for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 are RMB16,000,000.

The annual caps were determined based on the following factors: the unit price of electricity to be sold under the 2022 Electricity Purchases and Sales Agreement; the estimated amount of annual gross electricity to be generated by the hydropower station of Yiliangruiyuan Hydropower (the “**Hydropower Station**”) which is calculated according to the rated output capacity of electricity generation and the annual utilization hours of the Hydropower Station, taking into account the effect of the water-sufficient and water-deficit seasons; and the actual volume of the on-grid electricity per year calculated by deducting the estimated amount of electricity waste during the process of transmission from the amount of annual gross generation electricity of the Hydropower Station.

For the year ended 31 December 2024, the actual transaction amount under the 2022 Electricity Purchases and Sales Agreement was RMB10,680,345. Further details are set out in the Company’s announcement dated 28 December 2021.

### (3) Electricity Purchase Framework Agreements

On 16 May 2024, (i) the Company entered into the electricity purchase framework agreement (the “**Yibin Zhangwo Electricity Purchase Framework Agreement**”) with Yibin Zhangwo Power Generation Co., Ltd.\* (宜賓張窩發電有限公司) (“**Yibin Zhangwo**”); and (ii) the Company entered into the electricity purchase framework agreement (the “**Shuifu Hongli Electricity Purchase Framework Agreement**”) with Shuifu Hongli Power Generation Co., Ltd.\* (水富泓力發電有限公司) (“**Shuifu Hongli**”) (collectively, the “**Electricity Purchase Framework Agreements**”). Pursuant to the Yibin Zhangwo Electricity Purchase Framework Agreement and the Shuifu Hongli Electricity Purchase Framework Agreement, Yibin Zhangwo and Shuifu Hongli shall respectively supply electricity to the Company and its subsidiaries from the effective date of the respective agreement and up to 31 December 2026.

For the year ended 31 December 2024 and the years ending 31 December 2025 and 31 December 2026, the proposed annual caps of the transactions contemplated under the Electricity Purchase Framework Agreements are RMB128,830,000, RMB137,660,000 and RMB133,250,000, respectively.

For the year ended 31 December 2024, the actual transaction amount under the Electricity Purchase Framework Agreements was RMB97,602,952. Further details are set out in the Company’s announcement dated 16 May 2024 and circular dated 20 September 2024.

In determining the above annual caps, the Company has considered the following factors:

- (i) the estimated maximum volume of electricity to be purchased by the Group under the Electricity Purchase Framework Agreements for the three years ending 31 December 2026, which was determined with reference to the historical volume of electricity purchased by the Group from each of the Zhangwo Power Station and the Dayukong Power Station in the past five years;



## REPORT OF THE BOARD OF DIRECTORS

- (ii) the unit prices of electricity payable by the Group under the Electricity Purchase Framework Agreements, which were determined after arm's length negotiation between the Group and each of Yibin Zhangwo and Shuifu Hongli with reference to (i) the historical unit price paid by the Group for the electricity supplied by the Zhangwo Power Station and the Dayukong Power Station; (ii) the unit price of electricity charged by other Independent Third Parties; and (iii) the respective average unit price of electricity in 2023 charged by (a) State Grid Corporation of China (國家電網有限公司) and (b) China Southern Power Grid Company Limited (中國南方電網有限責任公司). It is noted that the unit prices of electricity offered by Yibin Zhangwo or Shuifu Hongli are lower than the respective average unit price of electricity charged by State Grid Corporation of China (國家電網有限公司) and China Southern Power Grid Company Limited (中國南方電網有限責任公司) in 2023;
- (iii) the adjustments to the unit price of electricity under the Electricity Purchase Framework Agreements during the water-sufficient and water-deficit seasons as set out under the Notice of the Sichuan Development and Reform Commission on Adjusting the Relevant Issues Concerning Electricity Price Policy for the Water-sufficient and Water-deficit Seasons and Peak and Off-peak Hours of the Power Grid in Sichuan Province\* (《四川省發展改革委關於調整四川電網豐枯峰穀電價政策有關事項的通知》), which would affect the total amount of electricity fees payable under a year; and
- (iv) a reasonable buffer is also added to cater for the operating need from time to time in determining the proposed annual caps of the fees payable by the Group under the Electricity Purchase Framework Agreement.

### (4) 2024 Property Management Framework Agreement

On 31 December 2020, the Company entered into the 2021-2023 Property Management Agreement with Sichuan Energy Investment Baishiji Industries Co., Ltd.\* (四川能投百事吉實業有限公司) ("**Baishiji**"). As the Property Management Agreement has expired on 31 December 2023, on 3 July 2024, after trading hour, the Company entered into the 2024 Property Management Framework Agreement with Baishiji. Pursuant to the 2024 Property Management Framework Agreement, Baishiji agreed to continue to provide certain property management related and other services to the Group until 31 December 2024.

The maximum amount of service fee payable by the Group to Baishiji pursuant to the 2024 Property Management Framework Agreement for the year ending 31 December 2024 shall not exceed RMB6,300,000.

In determining the maximum amount of service fee payable, the Company has considered the (i) historical amount of service fee incurred by the Group to Baishiji during the three years ended 31 December 2023 and the six months ended 30 June 2024; (ii) the scope of property management related and other services required and the number of subsidiaries of the Group and staff requiring such services; and (iii) a reasonable buffer to cater for the operation needs of the Group and the possibility of increase in labour costs and price costs for rendering the services.

The actual service fees payable by the Company to Baishiji shall be made in accordance with the specific service agreements entered into.

For the year ended 31 December 2024, the actual transaction amount under the 2024 Property Management Framework Agreement was RMB5,583,418. Further details are set out in the Company's announcement dated 3 July 2024 and circular dated 20 September 2024.

## REPORT OF THE BOARD OF DIRECTORS

### (5) 2025-2026 Property Management Framework Agreement

On 3 July 2024, the Company entered into the 2024 Property Management Framework Agreement with Baishiji. As the 2024 Property Management Agreement has expired on 31 December 2024, on 24 December 2024, after trading hours, the Company entered into the 2025-2026 Property Management Framework Agreement with Baishiji. Pursuant to the 2025-2026 Property Management Framework Agreement, Baishiji agreed to continue to provide certain property management related and other services to the Group from 1 January 2025 to 31 December 2026.

For the years ending 31 December 2025 and 31 December 2026, the proposed annual caps of the transactions contemplated under the 2025-2026 Property Management Framework Agreement are RMB20,500,000 and RMB20,500,000, respectively.

In determining the maximum amount of service fee payable, the Company has considered the (i) historical amount of service fee incurred by the Group to Baishiji during the two years ended 31 December 2023 and the 10 months ended 31 October 2024; (ii) the scope of property management related and other services required and the number of subsidiaries of the Group and staff requiring such services; and (iii) a reasonable buffer to cater for the operation needs of the Group and the possibility of increase in labour costs and price costs for rendering the services.

The actual service fees payable by the Company to Baishiji shall be made in accordance with the specific service agreements entered into.

Further details are set out in the Company's announcement dated 24 December 2024.

### (6) Renewal of Electricity Purchases and Sales Agreement (2025 to 2027)

The 2022 Electricity Purchases and Sales Agreement entered into between Gong County Electricity, a wholly-owned subsidiary of the Company, and Yiliangruiyuan Hydropower on 28 December 2021 has expired on 31 December 2024. On 24 December 2024, the Company entered into the Yiliangruiyuan Electricity Purchase Framework Agreement with Yiliangruiyuan Hydropower, pursuant to which Yiliangruiyuan Hydropower shall supply electricity to the Company and its subsidiaries from 1 January 2025 and up to 31 December 2027.

For the years ending 31 December 2025, 2026 and 2027, the annual caps of electricity fee payable by the Company under the Yiliangruiyuan Electricity Purchase Framework Agreement are RMB12,500,000.

The parties agreed that the electricity fee payable by the Company under the Yiliangruiyuan Electricity Purchase Framework Agreement shall be settled on a monthly basis.

The unit price of electricity payable by the Company shall be RMB0.32 per kWh (tax inclusive), which was determined after arm's length negotiation between the Company and Yiliangruiyuan Hydropower, with reference to (i) the historical unit price paid by the Group for the electricity purchased from the power station of Yiliangruiyuan Hydropower; (ii) the unit price of electricity charged by other Independent Third Parties; and (iii) the respective average unit price of electricity so far in 2024 charged by (a) State Grid Corporation of China (國家電網有限公司), being approximately RMB0.3683 per kWh (tax exclusive), and (b) China Southern Power Grid Company Limited (中國南方電網有限責任公司), being approximately RMB0.3739 per kWh (tax exclusive).

## REPORT OF THE BOARD OF DIRECTORS

The annual caps are determined based on the following factors: (i) the estimated maximum volume of electricity to be purchased by the Group under the Yiliangruiyuan Electricity Purchase Framework Agreement for the three years ending 31 December 2027, in particular, the Group had made reference to the average annual utilization hours of the power stations of Yiliangruiyuan Hydropower in the past five years and the rated output capacity of electricity generation of such power stations; (ii) the unit price of electricity payable by the Group under the Yiliangruiyuan Electricity Purchase Framework Agreement, which was determined after arm's length negotiation between the Group and Yiliangruiyuan Hydropower with reference to (i) the historical unit price paid by the Group for the electricity supplied by Yiliangruiyuan Hydropower; (ii) the unit price of electricity charged by other Independent Third Parties; and (iii) the respective average unit price of electricity so far in 2024 charged by State Grid Corporation of China (國家電網有限公司) and (ii) China Southern Power Grid Company Limited (中國南方電網有限責任公司). It is noted that the unit price of electricity offered by Yiliangruiyuan Hydropower is lower than the respective average unit price of electricity charged by State Grid Corporation of China (國家電網有限公司) and China Southern Power Grid Company Limited (中國南方電網有限責任公司) so far in 2024; (iii) the adjustments to the unit price of electricity under the Yiliangruiyuan Electricity Purchase Framework Agreement during the water-sufficient and water-deficit seasons as set out under the Notice of the Sichuan Development and Reform Commission on Adjusting the Relevant Issues Concerning Electricity Price Policy for the Water-sufficient and Water-deficit Seasons and Peak and Off-peak Hours of the Power Grid in Sichuan Province\* (《四川省發展改革委關於調整四川電網豐枯峰穀電價政策有關事項的通告》), which would affect the total amount of electricity fees payable under a year; and (iv) a reasonable buffer to cater for the operating need from time to time in determining the proposed annual caps of the fees payable by the Group under the Yiliangruiyuan Electricity Purchase Framework Agreement.

Further details are set out in the Company's announcement dated 24 December 2024.

### (7) Renewal of Leasing of Substations (2025)

On 28 December 2023, Sichuan Energy Investment Development Construction, a wholly-owned subsidiary of the Company, entered into the 2024 Substations Leasing Agreement with Changning Natural Gas. Pursuant to the 2024 Substations Leasing Agreement, the leasing of six temporary substations to Changning Natural Gas has expired on 31 December 2024. On 24 December 2024, Sichuan Energy Investment Development Construction and Changning Natural Gas have agreed in writing to further renew the Lease (2024) for a term of one year from 1 January 2025 to 31 December 2025.

The actual total rental under the 2025 Substations Leasing Agreement for the period from 1 January 2025 to 31 December 2025 shall be RMB5,900,000, which is based on the sum of the total lease payment of each of the six temporary substations pursuant to their respective monthly rental over the lease period of 12 months under the Lease (2025).

The monthly rental rates of the six temporary substations under the Lease (2025) are determined on arm's length basis, with reference to the latest prevailing market rates, the tariffs for power transmission and distribution at the relevant locations and the rent charged by Sichuan Energy Investment Development Construction to other independent third parties.

Further details are set out in the Company's announcement dated 24 December 2024.

## REPORT OF THE BOARD OF DIRECTORS

### **(8) (i) The 2024 Rural Power Grid Assets Management and Maintenance Agreement and (ii) The 2024 Rural Power Grid Assets Usage Agreement**

On 18 March 2025, the Company entered into (i) the 2024 Rural Power Grid Assets Management and Maintenance Agreement with Hydropower Group to retrospectively acknowledge and confirm the transaction amounts for the 2024 rural power grid assets management and maintenance fees actually incurred with, and to be received from, the Hydropower Group, being approximately RMB15.0 million (tax inclusive) or RMB13.3 million (tax exclusive), pursuant to which the Company agreed to provide management and maintenance services for the Excluded Rural Power Grid Projects to Hydropower Group in 2024; and (ii) the 2024 Rural Power Grid Assets Usage Agreement to retrospectively acknowledge and confirm the transaction amounts for the 2024 rural power grid usage fees actually incurred with, and to be paid to, the Hydropower Group, i.e. approximately RMB34.9 million (tax inclusive) or RMB30.9 million (tax exclusive), pursuant to which the Company was entitled to use the Excluded Rural Power Grid Projects controlled by Hydropower Group in 2024. The delay in entering into and disclosure of the aforesaid agreements and the continuing connected transactions thereunder were primarily due to the Notice on Further Clarifying Matters Related to Electricity Purchasing by Local Grids (Chuan Fa Gai Jia Ge [2022] No. 90) issued by the Sichuan Provincial Development and Reform Commission, which led to a renegotiation between the Company and Hydropower Group regarding the pricing basis of the usage fee with respect to the Group's usage of the rural grid assets of the Excluded Rural Power Grid Projects. For details, please refer to the announcements of the Company dated 18 March 2025 and 8 April 2025.

The Company confirms that the signing and execution of the specific agreements under the above continuing connected transactions for the year ended 31 December 2024 have been in accordance with the pricing principles for such continuing connected transactions.

### **REVIEW BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

The independent non-executive Directors have reviewed the above-mentioned continuing connected transactions during the year and confirmed that such transactions were:

- (i) in the ordinary and usual course of business of the Company;
- (ii) carried out on normal commercial terms and no less favorable than those available or provided by an independent third party; and
- (iii) conducted in accordance with the terms of relevant agreements, which were fair and reasonable and in the interests of the Shareholders as a whole.

Save as disclosed above, none of the related-party transactions or continuing related-party transactions set out in note X to the consolidated financial statements in this annual report fall within the scope of discloseable connected transaction or continuing connected transaction under the Listing Rules. The connected and continuing connected transactions of the Group are in compliance with the disclosure requirements under Chapter 14A of the Listing Rules.



# REPORT OF THE BOARD OF DIRECTORS

## AUDITORS' OPINION

The auditor of the Company has been appointed by the Company to issue a report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements No.3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" (Revised) and with reference to the Practice Note No.740 "Auditor's Letter on Continuing Connected Transaction under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reviewed the transactions in accordance with Rule 14A.56 of the Listing Rules and issued the letter of confirmation to the Board. The following is an extract from the auditor's letter:

### Basis for qualified conclusion

Pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company has been engaged by the Board to report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Forensic Practice No. 3000 "Forensic Examination of Non-Audited or Reviewed Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants and with reference to Practice Note No. 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules". Pursuant to Rule 14A.56 of the Listing Rules, the auditor has issued a letter of qualification in respect of the continuing connected transactions, which contains a revised letter of its findings and conclusions. The following is an extract from the auditor's letter. The auditor is of the opinion that:

### Basis for qualified conclusion

The Company entered into the Rural Power Grid Assets Management and Maintenance Agreement and the Rural Power Grid Assets Utilization Agreement on 31 December 2020 with one of its controlling shareholders Hydropower Group. These agreements expire on 31 December 2023 and the transactions continue throughout the year ended 31 December 2024. On 18 March 2025, the Company entered into an agreement with Hydropower Group to retroactively recognize and confirm the amount of the transactions and the annual caps for the year ended 31 December 2024. Apart from the above, nothing has come to the attention of the auditors that causes them to believe that:

- (i) these continuing connected transactions have not been approved by the Board;
- (ii) if transactions involve the supply of goods or services by the Company and are not conducted in accordance with the Company's pricing policy in all material respects;
- (iii) in all material respects not in accordance with the agreements governing the transactions; or
- (iv) exceed the annual caps.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined under the Listing Rules)) of the Company. The Company did not hold any treasury shares as at 31 December 2024.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, the total purchasing amount by the Company from five largest suppliers accounted for 58.8% of the total cost of sales amount for the year ended 31 December 2024, of which the purchasing amount from the largest supplier accounted for 50.7% of the total cost of sales amount for the year ended 31 December 2024.

During the year ended 31 December 2024, the total sales amount by the Company from five largest customers accounted for 25.7% of the total sales for the year ended 31 December 2024, of which the sales amount from the largest customer accounted for 16.5% of the total sales for the year ended 31 December 2024.

To the knowledge of the Directors, none of the Directors or any of their close associates or any Shareholders (which to the knowledge of the Directors own more than 5.0% of the Company's issued share capital (excluding treasury shares)) had an interest in any of the Company's top five customers or suppliers.



## REPORT OF THE BOARD OF DIRECTORS

### RELATIONSHIP WITH EMPLOYEES

The Company attaches importance to the construction of employee relationship, and has formulated the Measures for the Administration of Labor Contracts of Sichuan Energy Investment Development Co., Ltd. and the Code of Conduct for Employees of Sichuan Energy Investment Development Co., Ltd. It adheres to the normative employment in accordance with the laws through standardized and institutionalized management, and establishes harmonious labor relations. The Company was awarded as “AA Grade Model Enterprise with Harmonious Labor Relations in Chengdu” by Chengdu Tripartite Committee for Coordinating Labor Relations and “Model Pilot Unit for Comprehensive Reform of Harmonious Labor Relations at Provincial Level in Wenjiang District, Chengdu” by the Office of Tripartite Committee for Coordination of Labor Relations in Wenjiang District, Chengdu.

### RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Company maintains a long-term and stable win-win relationship with customers and suppliers, which can ensure the long-term sustainable development of the Company. At the same time, it is very important to maintain good relationship with customers and suppliers for the Company’s long-term development. Therefore, the Company has always been committed to providing customers with high-quality and high-level services.

### PRE-EMPTIVE RIGHTS AND SHARE OPTION ARRANGEMENTS

In 2024, the Company had no pre-emptive rights and share option arrangements. There are no specific provisions under the PRC laws or the Articles of Association in relation to pre-emptive rights.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

During the Reporting Period, the Company did not occur any environmental pollution incidents. All operating power stations over which the Company has operational control have complied with domestic laws and regulations relating to environmental protection and have not been fined or prosecuted for non-compliance.

During the Reporting Period, the Company strictly complied with various national environmental laws and regulations, including the Environmental Protection Law of the PRC, the Environmental Impact Assessment Law and the Law on Prevention and Control of Water Pollution. In accordance with the requirements of the laws and regulations, the Company strictly safeguarded its capital investment in environmental protection and complied with the regulatory and industry standards of the relevant central and local government departments and industry associations. During the production process, the main environmental risks are: (1) waste floating upstream from the hydroelectric power station; and (2) a small amount of oily waste generated during equipment maintenance. Both of them are not classified as hazardous waste, but we manage them with reference to hazardous waste in terms of collection, storage and disposal. We have entered into agreements with qualified units to centralize and deliver them to landfills or treatment areas designated by relevant government departments for compliant treatment. During the Reporting Period, the Company’s production met the environmental protection requirements and there was no record of non-compliance.

### OPERATIONAL SAFETY

During the Reporting Period, the Company did not have any employee, equipment, grid or other liability incidents. All operating power stations over which we have operational control are in compliance with domestic regulations relating to production safety and have not been fined or prosecuted for non-compliance.

During the Reporting Period, the Company seriously implemented relevant work requirements of the competent state authorities, strictly enforced the production safety assessment, strengthened basic management of safety and environmental protection, reinforced the implementation of the responsibilities for production safety and environmental protection, seriously implemented safety training and education, and vigorously carried out investigation and remediation of hidden dangers to better accomplish production safety work objectives.

# REPORT OF THE BOARD OF DIRECTORS

## COMPLIANCE WITH LAWS AND LITIGATION

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects during 2024. The Group did not have any material litigation outstanding as at 31 December 2024.

## PUBLIC FLOAT

On the information that is publicly available to the Company and to the best knowledge of the Directors, the Company maintained sufficient public float, which the public shareholders held not less than 25% of the issued share capital of the Company as required by the Listing Rules.

## COMPLIANCE WITH NON-COMPETITION AGREEMENT

The controlling shareholders signed a non-competition agreement in favour of the Company on 7 December 2017 (the “Non-competition Agreement”). Pursuant to the Non-competition Agreement, each of the controlling shareholders has irrevocably undertaken to the Group that each of them would not, and would procure each of its respective associates (except any member of our Group) would not, directly or indirectly, carry on, participate or be interested or engaged in any business which is or may be in competition with the business of any member of our Group from time to time.

Hydropower Group, the direct controlling shareholder of the Group, agreed to grant the Group irrevocable options to acquire any and all of the excluded rural power grid projects in Seven Counties and Districts, which constitute part of the rural power grid construction project phase III and are controlled by Hydropower Group (the “**Excluded Rural Power Grid Projects**”) and the power generation and power supply businesses of Hydropower Group in Sichuan Province (except our power supply service area) (the “**Other Power Business**”).

Hydropower Group has agreed to grant the Group irrevocable right of first refusal. If Hydropower Group intends to transfer its interests in Excluded Rural Power Grid Projects and Other Power Businesses to any third party, the Group has the right of first refusal to acquire the Excluded Rural Power Grid Projects and Other Power Business at the considerations proposed by third-party valuers in accordance with applicable laws and regulations at the time.

If each of our controlling shareholders and its associates have any business which is or may be in competition with the business of any member of the Group from time to time (the “**Restricted Business**”), it will notify the Group immediately and assist the Group and the subsidiaries of the Group to obtain the business opportunities on the same terms or on more favorable terms.

For details, please refer to the section headed “Relationship with our Controlling Shareholders” in the Prospectus.

For the year ended 31 December 2024, the Company did not exercise the options, right of first refusal or the options for new business opportunities granted by the controlling shareholder(s). After considering the business scale and prospect, financial conditions and other related factors of the Group, and the current conditions of the Excluded Rural Power Grid Projects and the Other Power Business, the independent non-executive Directors decided not to exercise the options. Moreover, to the best knowledge of our controlling shareholders, no business opportunity of Restricted Business was offered to them and they had no intention to transfer its interest in the Excluded Rural Power Grid Projects and Other Power Business to any third party during the Reporting Period. The independent non-executive Directors have reviewed the information provided by the Company and the controlling shareholders regarding compliance with the Non-competition Agreement and determined that the controlling shareholder had fully complied with the Non-competition Agreement during the year of 2024.

## RISKS

### (1) Industry policy risk

The new round of power system reform has abolished the industrial and commercial user catalogue tariff, and the industrial and commercial users (including the former general industrial and commercial and others, and large-scale industrial categories) entered into the market to purchase power either directly or through agents such as power grid companies at the market price. As a result, the profit model of the industrial and commercial users under the Company's general power supply business has been changed from the previous margin between on-grid purchase and sales to transmission and distribution tariff, which shall be subject to the standard of Sichuan Grid before any local transmission and distribution tariff is determined by price management authorities in Sichuan. Meanwhile, the Company is exposed to challenges from pricing power for domestic purposes on a par with that of the State Grid, which may lead to a decline in the profitability of the Company.

### (2) Business risk

1. There is a certain gap between actual economic benefits and those expected in the early stage of an integrated energy project. The Company is transforming from a traditional power enterprise to a integrated energy service provider. The Company is at the stage of grabbing high-quality resources, establishing related businesses and expanding into potential markets in the integrated energy sector. However, certain green energy markets have not established well with less-than-expected demand, and related green energy businesses need a certain incubation period, and the project profitability is affected by industrial policy changes, social and economic environment and local government and other uncontrollable factors, which may result in a certain gap between actual economic benefits and those expected in the early stage of the project.
2. Our power grids and power sources are insufficient and we are increasingly relying on the superior power grids. At present, the grid-connected power stations of the Company are all run-off hydroelectric power stations, with significant output differences during the boom and collapse period and no new power sources being developed and introduced. The growth of power supply capacity mainly depends on the superior grids such as State Grid and Southern Power Grid, and the possible insufficient power supply of the superior grids may have negative impact on the power supply capacity of the Company.
3. Procurement risks associated with a single-source approach. Single-source procurement may be very necessary in certain circumstances, but the Company is required to carefully manage the associated risks and take appropriate measures to ensure compliance, efficiency and sustainability.
4. Risks associated with connected transactions. Firstly, if the contracts associated with connected transactions of the Company are not filed in a timely manner, the Company may face risks associated with connected transactions. Secondly, connected transactions may be subject to the risk of unfair pricing (such as quotations are significantly higher than market prices). Thirdly, if connected transactions are not properly approved, the Company may face the risk of connected transaction violations, thereby affecting the Company's image in the capital market. Fourthly, if the disclosed connected transactions are not strictly implemented, it may lead to situations such as the actual transaction amount of the Company's connected transactions exceeding the disclosed amount without supplementary disclosure, thus causing compliance risks to the Company. Fifthly, the Company may face the risk of regulatory penalties if its connected transactions and related disclosures do not comply with the provisions of the Listing Rules.
5. Safety risks. We still face a severe situation in terms of production safety, with the potential safety risks associated with the construction of some engineering projects, and the potential risks related to production safety accidents.



## REPORT OF THE BOARD OF DIRECTORS

### (3) Investment risk

The Company currently is at the rapid development stage and will successively roll out a broad array of significant investment and M&A projects. Whether or not the investment income will meet our expectations will have an impact on the future development of the Company.

### (4) Financial risk

- (1) Exchange rate risk: the Company primarily conducts production and operations in Mainland China and transactions are mainly settled in Renminbi. At the end of 2024, the Company held a small amount of Hong Kong dollars. Fluctuation of Renminbi against Hong Kong dollars may lead to certain exchange gains and losses on Hong Kong dollars held by the Company, which will have insignificant impact on the Company's financial condition and operating performance in overall.
- (2) Capital risk: the Company may increase material investment activities during its course of business development, and the adequacy of capital will have a significant impact on the operation and development of the Company, which may impose relevant financial risks on business activities.

## MATERIAL LEGAL PROCEEDINGS

During the year ended 31 December 2024, the Company had not been involved in any material legal proceedings nor arbitration.

## PERMITTED INDEMNITY

Subject to the Articles of Association, each Director of the Company shall be entitled to receive compensation from the Company for any losses that may be suffered or incurred. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors of the Company as a result of the performance of his/her duties or in other aspects in connection with it.

## AUDITOR

The Company did not change auditor in the last three years. The financial statements of the Company for the year ended 31 December 2024 have been audited by KPMG Huazhen LLP.

On behalf of the Board

**He Jing**

*Chairman*

Chengdu, 26 March 2025

# REPORT OF THE SUPERVISORY COMMITTEE

## 1 BASIC COMPOSITION OF THE SUPERVISORY COMMITTEE

The Company established the Supervisory Committee on 8 September 2011. As of the date of this report, the Supervisory Committee consisted of six members, including Ms. Deng Ruipu, Ms. Fu Ruoxue, Ms. Sun Hui, Ms. Wang Meng, Mr. Su Lijiang and Ms. Tian Wenwei, of whom Ms. Deng Ruipu was the chairlady of the Supervisory Committee, Mr. Su Lijiang and Ms. Tian Wenwei are employee representative Supervisors. The term of office of the Supervisors is 3 years.

The Supervisory Committee is the Company's supervisory body. It strictly performs its duties in accordance with the Company Law, the Articles of Association and the Rules of Procedures of the Supervisory Committee, and is responsible for the Company's general meeting. It supervises the Company's finance, the Board of Directors and its members, and general managers and other senior management personnel, preventing their abuse of power and safeguarding the legitimate interests of Shareholders.

## 2 MEETINGS OF THE SUPERVISORY COMMITTEE

In 2024, the Supervisory Committee of the Company held three meetings, and reviewed 8 proposals such as the Working Report of the Supervisory Committee of Sichuan Energy Investment Development Co., Ltd. for 2023 and the Proposal in relation to the Deliberation of the 2024 Annual Budget Report. All Supervisors attended the meetings in person or by proxy, and there was no unexcused absence. For more details, please refer to "Corporate Governance Report" in this annual report.

## 3 THE SUPERVISORY COMMITTEE'S BASIC EVALUATION ON THE OPERATIONS CONDUCTED BY THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

During the Reporting Period, through supervising the Company's Directors and senior management, the Supervisory Committee believed that the Board of Directors strictly implemented the requirements of the Company Law, the Listing Rules, the Articles of Association and relevant laws and regulations, and operated according to law. The Company's major business decision-making procedures were legal and effective; when performing their duties, the Company's Directors and senior management earnestly implemented the laws and regulations of the PRC, the Articles of Association and the resolutions of general meeting and the Board, and there was no behavior that harmed the interests of the Company or Shareholders. No non-compliance committed by the Board or senior management was found during operations.

## 4 INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE OPERATION OF THE COMPANY

### 4.1 Independent Opinion on the Company's Legal Operation

The Supervisory Committee supervised the operation according to law, and believed that the decision-making procedures of the general meeting and the Board of Directors were legal. The Board and management team effectively executed each of the resolutions passed by the general meeting, which was in compliance with the relevant provisions of laws, regulations and the Articles of Association.

### 4.2 Independent Opinion on the Company's Financial Position

The Supervisory Committee supervised the Company's finances and believed that the Company's financial system was sound and its financial operations were in good condition. The Company strictly met the requirements of the accounting system and accounting standards for business enterprises and other relevant financial regulations.

## REPORT OF THE SUPERVISORY COMMITTEE

### 4.3 Independent Opinion on the Company's Connected Transactions

The Supervisory Committee believed that the Company's connected transactions were strictly entered into in accordance with the relevant rules and agreements of connected transaction, and were in line with the principles of fairness and reasonableness, without prejudice to the interests of the Company and its Shareholders.

### 4.4 Independent Opinion on the Company's Performance of Social Responsibility

The Company made due contributions to economic development and environmental protection, earnestly fulfilled its due social responsibilities and safeguarded the interests of Shareholders, customers and employees.

## 5 WORK PLAN

In 2025, the Supervisory Committee will strictly comply with the relevant provisions of the Company Law, the Securities Law, the Listing Rules and the Articles of Association, continue to strengthen the implementation of supervisory functions in accordance with the requirements of the modern enterprise system, focusing on overseeing material business decisions, material asset acquisitions, foreign investment, management and utilization of the raised funds, and information disclosure, and supervise and urge the implementation of the resolutions of the general meeting and the Board of Directors to better safeguard the interests of Shareholders.

On behalf of the Supervisory Committee

**Deng Ruipu**

*Chairlady*

Chengdu, 26 March 2025

# CORPORATE GOVERNANCE REPORT

The Company is fully aware of the importance of maintaining high-standard corporate governance to increase shareholders' equity and enhance the performance of the Group. The Board reviews the Company's corporate governance practices from time to time to meet the expectations of stakeholders and comply with the increasingly stringent regulatory requirements, as well as to fulfill its commitment to adhere to good corporate governance. The corporate governance principles adopted by the Company for the year ended 31 December 2024 are set out as follows.

## 1. CORPORATE GOVERNANCE STRUCTURE

The Company conducts standard operation by strictly following applicable laws and regulations and regulatory documents such as the Company Law, the Securities Law and the Listing Rules as well as the Articles of Association. The Company has established an internal governance structure comprising the general meeting, the Board and its special committees, the Supervisory Committee and senior management and taken step-by-step measures to improve its system, specify the management mechanism and workflow. The Board and the management always follow good governance principles to manage the Company's business effectively, treat all Shareholders fairly and strive for the long-term, stable and growing return for all Shareholders. During the Reporting Period, the internal governance structure remained independent and efficient operation and performed their responsibilities and obligations effectively.

## 2. COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

As a company listed on the Main Board of the Stock Exchange, the Company has adopted the Corporate Governance Code as its own code for corporate governance. During the period from 1 January 2024 to 31 December 2024, the Company has complied with all the applicable Corporate Governance Code provisions.

## 3. COMPLIANCE WITH THE PROVISIONS OF THE MODEL CODE BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct for securities transactions by the Directors and Supervisors. Upon specific enquiries, no shares of the Company were held by Directors and Supervisors and there were no violations of regulations.

## 4. SHAREHOLDERS

### 4.1 Shareholders' rights

As stipulated in the Articles of Association, the procedures for Shareholders to convene the extraordinary general meeting, send enquiries and make proposals at the general meeting are as follows:

#### *a) Convene extraordinary general meeting*

Two or more shareholders who jointly hold 10% (inclusive) or more of the shares carrying the right to vote at the proposed meeting can request the Board to convene an extraordinary general meeting or class meeting by signing one or several copies of written request(s) in the same form and content, and stating the proposals. The Board shall convene the extraordinary general meeting or class meeting as specified in the request as soon as possible.



# CORPORATE GOVERNANCE REPORT

## ***b) Make enquiries to the Board***

Shareholders who intend to put forward their inquiries about the Company to the Board could email their inquiries to the Board Office at the email address: db@scntgf.com. The Company will not normally deal with verbal or anonymous inquiries.

## ***c) Make proposals to the general meeting***

- (1) Shareholders individually or jointly holding over 3% of shares of the Company are entitled to put forward extraordinary proposals to the Board and submit them in writing 10 days before the convening of the general meeting at the email address: db@scntgf.com.
- (2) When the Company convenes a general meeting, a written notice of the meeting shall be given 20 days before the date of the meeting for annual general meeting and 15 days before the date of the meeting for extraordinary general meeting, to notify all of the shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the annual general meeting or the extraordinary general meeting shall deliver to the Company his/her written reply concerning his/her attendance at such meeting 10 days or 8 days before the date of the meeting.

## **4.2 General meeting**

During the year ended 31 December 2024, the Company convened one annual general meeting and three extraordinary general meetings as follows:

Meeting	Date	Convening Method	Number of shareholders or their proxies in attendance	Shares represented (share)	Proportion
2024 first extraordinary general meeting	19 March 2024	On-site	5	1,005,884,791	93.63%
2023 annual general meeting	13 June 2024	On-site	7	910,069,292	84.71%
2024 second extraordinary general meeting	16 August 2024	On-site	5	905,293,286	84.26%
2024 third extraordinary general meeting	10 October 2024	On-site	4	523,259,279	79.88%

Relevant legal procedures were performed at the above general meetings to ensure shareholders' involvement and enforcement of right.

## 5. THE BOARD

### 5.1 Composition of the Board

As at the date of this report, the Board of the Company is composed of:

He Jing	Chairman and Executive Director
Wang Yuanchun	Deputy Chairman, Executive Director and General Manager (Deputy Chairman and Executive Director: appointed on 19 March 2024; General Manager: appointed on 26 February 2024)
Li Hui	Deputy Chairman, Executive Director and General Manager (Deputy Chairman and Executive Director: resigned on 19 March 2024; General Manager: resigned on 26 February 2024)
Xie Peixi	Executive Director
Han Chunhong	Non-executive Director
Tao Xueqing	Non-executive Director
Gao Bin	Non-executive Director (appointed on 16 August 2024)
Lv Yan	Non-executive Director (resigned on 16 August 2024)
Zhao Gen	Non-executive Director (appointed on 16 August 2024)
Liang Hong	Non-executive Director (resigned on 16 August 2024)
Kong Ce	Non-executive Director
Siu Chi Hung	Independent Non-executive Director (appointed on 16 August 2024)
Kin Kwong Kwok Gary	Independent Non-executive Director (resigned on 16 August 2024)
Li Jian	Independent Non-executive Director
Mou Yingshi	Independent Non-executive Director (appointed on 16 August 2024)
He Zhen	Independent Non-executive Director (resigned on 16 August 2024)
Chen Chuan	Independent Non-executive Director (appointed on 16 August 2024)
Wang Peng	Independent Non-executive Director (resigned on 16 August 2024)
He Yin	Independent Non-executive Director

There is no financial, business, family or other material/relevant relationship(s) among the Directors. The Company has independent non-executive Directors representing over one-third of the Board, one of whom is an accounting and financial management professional with a proper qualification, meeting the requirements of Rule 3.10 and Rule 3.10A of the Listing Rules.

Under the Articles of Association, the term of office of each Director (including non-executive Directors) is three years, which is renewable upon re-election. As of the date of this annual report, the Company had received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each independent non-executive Director and the Company confirmed that all independent non-executive Directors are independent.

The Board of Directors exerts its leadership directly and indirectly through its committees, and provides guidance to the management and supervises the operation and financial performance of the Group by formulating strategies and overseeing the implementation of the strategies, so as to ensure a sound internal control and risk management system. The chairman has appointed the secretary of the Board of Directors to draft the agenda of each Board meeting. With the assistance of the executive Directors and the company secretaries, the chairman will ensure that all Directors are provided with sufficient and reliable information in a timely manner so that they can make necessary analysis based on their business expertise.

# CORPORATE GOVERNANCE REPORT

## 5.2 Board meetings

During the year ended 31 December 2024, the Company convened 4 general meetings and 15 Board meetings in total, at which 58 proposals were considered and approved, as well as 5 Remuneration and Evaluation Committee meetings, 8 Audit Committee meetings, 4 Nomination Committee meetings and 1 Risk Control Committee meeting.

The attendance of each Director at general meetings, Board meetings and committee meetings, whether in person or by means of electronic communication, is detailed in the table below:

Director	Number of actual attendances/number of attendances as required					
	General Meeting	Board Meeting	Remuneration and Evaluation Committee Meeting	Risk Control Committee Meeting	Audit Committee Meeting	Nomination Committee Meeting
He Jing	4/4	15/15	–	–	–	4/4
Li Hui (Note 1)	1/1	3/3	–	–	–	–
Wang Yuanchun (Note 2)	3/3	12/12	–	–	–	–
Xie Peixi	3/3	15/15	–	–	–	–
Han Chunhong	4/4	15/15	–	–	8/8	–
Tao Xueqing	4/4	15/15	–	1/1	–	–
Lv Yan (Note 3)	3/3	9/9	3/3	–	–	–
Gao Bin (Note 4)	1/1	6/6	2/2	–	–	–
Liang Hong (Note 5)	3/3	9/9	–	–	–	–
Zhao Gen (Note 6)	1/1	6/6	–	–	–	–
Kong Ce	4/4	15/15	–	–	–	–
Kin Kwong Kwok Gary (Note 7)	3/3	9/9	–	1/1	6/6	–
Siu Chi Hung (Note 8)	1/1	6/6	–	0/0	2/2	–
Li Jian	4/4	15/15	–	1/1	8/8	–
Wang Peng (Note 9)	3/3	9/9	3/3	–	–	2/2
Chen Chuan (Note 10)	1/1	6/6	2/2	–	–	2/2
He Zhen (Note 11)	3/3	9/9	3/3	–	–	2/2
Mou Yingshi (Note 12)	1/1	6/6	2/2	–	–	2/2
He Yin	4/4	15/15	–	–	–	–



# CORPORATE GOVERNANCE REPORT

## Notes:

1. Mr. Li Hui resigned on 19 March 2024.
2. Mr. Wang Yuanchun was appointed on 19 March 2024.
3. Ms. Lv Yan resigned on 16 August 2024.
4. Mr. Gao Bin was appointed on 16 August 2024.
5. Ms. Liang Hong resigned on 16 August 2024.
6. Mr. Zhao Gen was appointed on 16 August 2024.
7. Mr. Kin Kwong Kwok Gary resigned on 16 August 2024.
8. Mr. Siu Chi Hung was appointed on 16 August 2024.
9. Mr. Wang Peng resigned on 16 August 2024.
10. Mr. Chen Chuan was appointed on 16 August 2024.
11. Ms. He Zhen resigned on 16 August 2024.
12. Mr. Mou Yingshi was appointed on 16 August 2024.

### 5.3 Directors' professional training

In compliance with Rule 3.09D of the Listing Rules which took effect on 31 December 2023, Mr. Wang Yuanchun, who was appointed as a Director on 19 March 2024, obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 4 March 2024, Mr. Gao Bin, Mr. Zhao Gen, Mr. Xiao Zhixiong, Mr. Mou Yingshi, and Mr. Chen Chuan (appointed as directors on 16 August 2024) have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 8 August 2024, and have confirmed that they understood his obligation as a director of a listed issuer under the Listing Rules.

The Company regularly arranges seminars and training for Directors and from time to time provides Directors with updates on the latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements. For the year ended 31 December 2024, all Directors, namely Mr. He Jing, Mr. Wang Yuanchun, Mr. Li Hui, Ms. Xie Peixi, Ms. Han Chunhong, Mr. Tao Xueqing, Mr. Gao Bin, Ms. Lv Yan, Mr. Zhao Gen, Ms. Liang Hong, Mr. Kong Ce, Mr. Siu Chi Hung, Mr. Kin Kwong Kwok Gary, Prof. Li Jian, Ms. He Zhen, Mr. Chen Chuan, Mr. Wang Peng, Mr. Mou Yingshi and Ms. He Yin had received special training on insider information and training on notifiable transactions of equity securities under the Listing Rules, environmental, social and governance report. Directors actively participated in training and continuing professional development, learned and updated their knowledge and skills to make correct decisions for the development of the Company.

# CORPORATE GOVERNANCE REPORT

## 5.4 Directors and senior management's remuneration

Details for remuneration of Directors are set out in note XIV.2 to the consolidated financial statements in this annual report.

During the Reporting Period, 9 senior management team members of the Company were granted remunerations totaling RMB4,852,500 (before tax and including the Company's contribution in social insurance and housing provident funds) based on their salary payables covering the months they were in service.

The following table sets out the remuneration paid to senior management of the Company categorized by range during the year ended 31 December 2024 in this annual report:

Remuneration range (RMB)	Number of individuals
0-500,000	1
500,000-1,000,000	8

## 5.5 Board and senior management

The Company's chairman and general manager are served by different persons. During the Reporting Period, Mr. He Jing acted as the chairman of the Company. Mr. Li Hui acted as the general manager of the Company up to 26 February 2024 and Mr. Wang Yuanchun acts as the general manager of the Company since 26 February 2024. The Board and the management perform their respective functions and responsibilities with strict division of functions and powers and comply with the stipulations in the Articles of Association, Rules of Procedures for the Meetings of the Board of Directors, Rules for Work of General Manager and relevant laws and regulations.

### 1) Board of Directors

The Board exercises the following functions and powers:

- (1) to convene general meetings, to propose at a general meeting to pass the relevant matters and to report its work to the general meeting;
- (2) to implement the resolutions passed at the general meeting;
- (3) to decide the Company's operation and investment plans;
- (4) to formulate the Company's proposed annual preliminary and final financial budgets;
- (5) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (6) to formulate proposals for increases or reductions of the Company's registered capital and issue of bonds or other securities and listing;

## CORPORATE GOVERNANCE REPORT

- (7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alternation of corporate form of the Company;
- (8) to decide on the establishment of the Company's internal management structure;
- (9) to appoint or remove the Company's general manager and secretary to the Board; to appoint or remove other senior management staff based on nomination from the general manager; and to determine the matters relating to the remuneration, incentives and punishments of the senior management staff;
- (10) to decide on the proposals for salaries, benefits, incentives and punishments of the Company's staff;
- (11) to draw up the Company's basic management system;
- (12) to draw up proposals for amendments to the Articles of Association;
- (13) to determine the establishment of the Company's domestic or overseas branches;
- (14) to decide on the matters such as merger, division, reorganization or dissolution of the Company's wholly-owned subsidiaries and controlling subsidiaries;
- (15) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;
- (16) to propose at general meetings a resolution in respect of candidates for independent non-executive directors and replacement of independent non-executive directors;
- (17) to propose at general meetings for the appointment, renewal or removal of accountant's firm conducting auditing for the Company;
- (18) to hear the work report and inspect the work of the general manager;
- (19) to manage information disclosure of the Company;
- (20) to formulate the equity incentives plan;

## CORPORATE GOVERNANCE REPORT

- (21) to exercise decision-making powers on issues in respect of external investment (including increase in investment and equity transfer), financing, venture capital, entrusted wealth management, provision of external guarantees, save and except for those decisions to be made by the general meeting pursuant to the laws, regulations and the Articles of Association;
- (22) to formulate and review the corporate governance policy and practices of the Company;
- (23) to review and supervise the training and continuing professional development of directors, supervisors and senior management staff;
- (24) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;
- (25) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;
- (26) to review the Company's compliance with the Corporate Governance Code as set out in the Listing Rules of the Main Board and the disclosure in the Corporate Governance Report;
- (27) to decide on other major affairs of the Company, save for matters to be resolved at general meetings as required by the Company Law and the Articles of Association;
- (28) to exercise other powers conferred by the Articles of Association or general meetings; and
- (29) other matters as required by the PRC laws and regulations.

The Board currently sets up four committees, namely, audit committee, remuneration and evaluation committee, nomination committee, and risk control committee. All committees have drawn up rules of procedures and are responsible to the Board and provide suggestions and advisory opinions for Board's decision-making under the unified leadership of the Board.

During the Reporting Period, to make the Board's decision-making more scientific and promote its standard and efficient operation, the Board expanded channels of information communication and launched special surveys while strengthening communication with the senior management and closely paying an attention to material matters.



## 2) *Senior management*

During the Reporting Period, the Company has one general manager, who is responsible to and report to the Board, and four deputy general managers, one chief financial officer (chief accountant), one chief engineer, and one chief economist to assist the work of the general manager.

The general manager shall exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company and to report to the Board, and report to chairman when the Board meeting is not in session;
- (2) to organize the implementation of the resolutions of the Board, the annual business plans and investment plans of the Company;
- (3) to draft the plan of the Company's annual finance budgets and final accounts, and propose to the Board;
- (4) to draft the basic management system of the Company and the plan for the establishment of the Company's internal management organization;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to request the Board to employ or dismiss other senior management staff;
- (7) to decide on the employment or dismissal of management personnel other than those to be employed or dismissed by the Board;
- (8) to propose to convene extraordinary board meetings in case of emergency;
- (9) to decide matters of the Company such as investment, financing, contracts and transactions to the extent of powers delegated by the Board; and
- (10) other functions and powers delegated by the Articles of Association and the Board.

## 5.6 **Special committees of the Board**

### **5.6.1 Audit Committee**

The Audit Committee is responsible for supervising our internal control, risk management, financial information disclosure and financial reporting.

As at the end of the Reporting Period, the Audit Committee comprises Mr. Siu Chi Hung (independent non-executive Director), Ms. Han Chunhong (non-executive Director) and Prof. Li Jian (independent non-executive Director), with Mr. Siu Chi Hung serving as the chairman. During the Reporting Period, the Audit Committee held 8 meetings and considered 20 proposals. The Group's audited annual results for the year ended 31 December 2023 and unaudited interim results for the six months ended 30 June 2024 have been reviewed by the Audit Committee, which was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group for selection and appointment of the external auditors and the financial management and internal control systems of the Group.

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## 5.6.2 Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee is responsible for proposing to the Board on remuneration policies and structure for all Directors (including executive Directors) and senior management of the Company (factors to be considered in the remuneration policies shall include remuneration paid by comparable companies, time commitment and responsibilities and employment conditions of other positions within the Group), approving the terms of executive directors' service contracts, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules, and establishment of formal and transparent procedures for the formulation of remuneration policies or plans. The Remuneration and Evaluation Committee has adopted the approach under the code provision E.1.2(c)(ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

As at the end of the Reporting Period, the Remuneration and Evaluation Committee comprises Mr. Chen Chuan (independent non-executive Director), Mr. Mou Yingshi (independent non-executive Director) and Mr. Gao Bin (independent non-executive Director), with Mr. Chen Chuan serving as the chairman. During the Reporting Period, the Remuneration and Evaluation Committee convened 5 meetings, at which 11 resolutions were considered and reviewed, including the formulation of Directors' remuneration policy, evaluation of the performance of executive Directors and approval of the terms of service contracts of executive Directors.

## 5.6.3 Nomination Committee

The Nomination Committee is responsible for proposing to the Board on appointment or dismissal of directors and senior management.

As at the end of the Reporting Period, the Nomination Committee comprises Mr. He Jing (Chairman and executive Director), Mr. Chen Chuan (independent non-executive Director) and Mr. Mou Yingshi (independent non-executive Director), with Mr. He Jing serving as the chairman. During the Reporting Period, the Nomination Committee held 4 meetings and considered 5 proposals.

### Nomination policy

All matters relating to nomination shall be deliberated by the Nomination Committee prior to its submission to the Board of Directors for deliberation. The Nomination Committee puts forward recommendations with respect to, among others, the candidates of the Directors and senior management members and selection criteria to the Board pursuant to the provisions and requirements of the Rules of Procedure of the Nomination Committee of the Board and the Board Diversity Policy, and based on the actual situations of the Company. The Nomination Committee shall determine, by a resolution, the appointment criteria, selection procedure and term of office of the Company's Directors and senior management members. The resolution should be filed for record and submitted to the Board for approval.

## 5.6.4 Risk Control Committee

The Risk Control Committee is responsible for formulating risk management policies, regularly evaluating risk level and management conditions, assessing the working procedure and results by the internal audit department, making proposals to improve risk management and internal control, and supervising senior management in credit, market and operation management risks. The Company supervises the risk control procedures through the establishment of a comprehensive risk management mechanism, maintains dynamic lists through regular risk identification, assessment and summary, and improves the construction of internal control systems through periodic reviewing of the internal control system lists.

As at the end of the Reporting Period, the Risk Control Committee comprises Prof. Li Jian (independent non-executive Director), Mr. Tao Xueqing (non-executive Director) and Mr. Siu Chi Hung (independent non-executive Director), with Prof. Li Jian serving as the chairman. During the Reporting Period, the Risk Control Committee held 1 meeting and considered 2 proposals, i.e. Risk and Internal Control Summary in 2023 and the new Compliance Management Approach, and no internal control deficiency was identified.

### 5.7 Board diversity policy

As required under the Corporate Governance Code, the Board has adopted the board diversity policy. The Company recognizes the importance of diversity of Board members to corporate governance and the effective function of the Board.

According to the board diversity policy, the Company will consider the diversity of Board members from different perspectives when determining the composition of the Board, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. The nomination and appointment of members of the Board will continue to be based on the principle of meritocracy and our daily business needs with due regard to the benefits of diversity of Board members. In view of the above, the knowledge and skills of Directors are well balanced, including knowledge and experience in business management, power generation, power system, finance, investment, auditing and accounting. They have obtained various professional degrees, including business administration, engineering, economics, law and accounting. At present, the Board believes that the Board maintains an appropriate balance in terms of diversity, and the Nomination Committee has set measurable objectives (including professional experience, skills, knowledge, gender, age, cultural and educational background, race and length of service, etc.) for the implementation of the board diversity policy. The Nomination Committee will review the relevant objectives on an annual basis to ensure their appropriateness and determine the progress made in achieving such objectives.

As at 31 December 2024, the Board consists of thirteen members, including three female Directors (including one executive Director, one non-executive Director and one independent non-executive Director). According to the board diversity policy, we will refer to international and local recommended best practices to ensure that appropriate balance is maintained in gender diversity of the Board. For the year ended 31 December 2024, female members of the Board accounted for approximately 23% of the total Board members. The Board is satisfied with the current representation of females among Board members, and will continue to review the proportion of female Board members with reference to the international and local recommended best practices. Male and female employees (including senior management members) accounted for 79% and 21% of the total employees of the Group, respectively. While the Group strives to achieve the goal of employee diversity to the maximum extent possible, with gender diversity taking into consideration in staff recruitment, there remains limitation due to the nature of the Group's business, which is to the most part physically demanding, and the industry is dominated by males. We will implement policies in recruitment to ensure gender diversity, so as to cultivate channels for female senior management and potential successors of the Board. In addition, we will implement a comprehensive plan aimed at identifying and training our female employees with leadership and potential.

For the year ended 31 December 2024, the Nomination Committee has reviewed the diversity of the Board, and considered that the Group has achieved the measurable objectives of the diversity policy in terms of professional experience, skills, knowledge, gender, age and length of service, and ensured that balance has been achieved in the Board in terms of skills, experience and diversity relevant to the Company's business. All Board members are appointed in line with the principle of meritocracy, and candidates are selected based on various diversity factors, including but not limited to the Company's needs, gender, educational background, professional experience, skills, knowledge, length of service, age, cultural background and race, as well as the independence provisions contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (for independent non-executive Directors). The ultimate decision will be made based on the strengths of the relevant candidates and their contribution to the Board, taking into account the benefits to the diversity of Board members and the needs of the Board, and will not only focus on a single diversity aspect.

# CORPORATE GOVERNANCE REPORT

The Board has delegated the Nomination Committee to be responsible for observing the relevant code provisions in the Corporate Governance Code regarding the diversity of the Board. The Board will review the diversity policy each year to ensure its implementation and effectiveness.

## ***Measurable objectives***

For the purpose of implementation of the board diversity policy, the following measurable objectives were adopted:

- (i) Independence: The Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong element of independence in the Board. The independent non-executive Directors shall be of sufficient calibre and stature for their views to carry weight.
- (ii) Skills and experience: The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities.
- (iii) Gender equality: The Board comprises three female Directors.

In addition to the above objectives, in order to comply with the Listing Rules, the board diversity policy has achieved the following objectives:

- 1. at least one third of the members of the Board shall be independent non-executive Directors;
- 2. at least four of the members of the Board shall be independent non-executive Directors; and
- 3. at least one of the members of the Board shall have obtained appropriate professional qualifications or accounting or related financial management expertise.

## **5.8 Independence of the Board**

In order to ensure that the Board can obtain independent opinions and advice, the Company has formulated different policies (including the rules of procedure of the committees of the Board and the work system of independent non-executive Directors, etc.), including (but not limited to):

- 1. Independent non-executive Directors do not participate in the daily management of the Company;
- 2. Independent non-executive Directors shall perform their duties independently and shall not be influenced by the Company's substantial shareholders, actual controllers or other units or individuals materially interested in the Company;



## CORPORATE GOVERNANCE REPORT

3. Independent non-executive Directors must meet the following conditions: (a) to be qualified as Directors of the Company according to laws, administrative regulations and other relevant provisions; (b) to be independent as required, including the independence conditions stipulated in Rule 3.13 of the Listing Rules; (c) to have basic knowledge of the business of the Company and be familiar with relevant laws, administrative regulations, rules and regulations; (d) to have at least five years of legal, economic or other work experience necessary for performing the duties of independent non-executive Directors; and (e) other conditions stipulated in the Articles of Association or the Listing Rules;
4. The Audit Committee, Remuneration and Evaluation Committee, Nomination Committee and Risk Control Committee of the Board shall be provided with sufficient resources by the Company to perform their duties. If necessary, the relevant committees may engage an intermediary agency to provide professional advice for its decision-making process, at the Company's expenses.

For the year ended 31 December 2024, 5 of the 13 members of the Board were independent non-executive Directors (accounting for approximately one third of the Board). The term of office of all independent non-executive Directors is three years. Throughout the year ended 31 December 2024, the Company has always complied with the provisions of Rules 3.10 and 3.10A of the Listing Rules on appointment of at least three independent non-executive Directors (accounting for at least one third of the Board members), and at least one of them possesses appropriate professional accounting and financial management expertise as stipulated in the Listing Rules. According to the Working Rules of Independent Non-executive Directors of the Company, each independent non-executive Director may not serve for six consecutive years to guarantee its independence.

The Company has received an annual confirmation from each independent non-executive Director on his/her independence in accordance with Rule 3.13 of the Listing Rules. None of the independent non-executive Directors held any administrative or management positions in the Company, nor were they employed by any member of the Group. They each receive a fixed fee that is not linked to the Group's profit and performance. They provide independent opinions on matters related to strategy, policies, corporate performance and code of conduct. They strengthen the mix of skills, experience and diverse perspectives of Board. The Board considers that all independent non-executive Directors meet the independence guidelines as set out in Rule 3.13 of the Listing Rules.

## 6. SUPERVISORY COMMITTEE

The Supervisory Committee is responsible for supervising the legality of the performance of duties by the Directors and other senior management personnel of the Company, protecting the interests of the Company and its Shareholders as a whole.

As at the date of the report, the Supervisory Committee is comprised of six members, including Ms. Deng Ruipu, Ms. Fu Ruoxue, Ms. Wang Meng, Ms. Sun Hui, Mr. Su Lijiang and Ms. Tian Wenwei, among whom Mr. Su Lijiang and Ms. Tian Wenwei are employee representative Supervisors.

During the Reporting Period, the Supervisory Committee of the Company held 3 meetings and reviewed and approved 8 proposals including the working report of the Supervisory Committee for 2023, the financial report on the final account for 2023, and the profit distribution proposal for 2023, etc.

# CORPORATE GOVERNANCE REPORT

Details of the attendance of each Supervisor for the meetings of the Supervisory Committee during the Reporting Period are set out in the following table:

Supervisors	Meetings to be attended	Meetings attended	Attendance
Deng Ruipu	3	3	100%
Sun Hui	3	3	100%
Wang Meng	3	3	100%
Fu Ruoxue	3	3	100%
Su Lijiang ( <i>Note 1</i> )	3	3	100%
Tian Wenwei ( <i>Note 2</i> )	3	3	100%

Notes:

1. Mr. Su Lijiang was appointed as an employee representative Supervisor on 29 January 2024;
2. Ms. Tian Wenwei was appointed as an employee representative Supervisor on 29 January 2024.

## 7. JOINT COMPANY SECRETARIES

Since 5 January 2018, Mr. Li Hui and Ms. Wong Wai Ling (“Ms. Wong”), a vice president of SWCS Corporate Services Group (Hong Kong) Limited, have been appointed as the joint company secretaries. Ms. Wong is an associate member of The Hong Kong Chartered Governance Institute, and is qualified to act as a joint company secretary of the Company. As Mr. Li did not possess the qualifications as required under Rule 3.28 and Rule 8.17 of the Listing Rules at the time of Listing, the Company has applied to the Stock Exchange before the Listing and was granted the waiver from strict compliance with such rules. As confirmed by the Stock Exchange in January 2022, upon expiration of the waiver period, Mr. Li is qualified to act as the company secretary of the Company under Rule 3.28 of the Listing Rules. According to relevant arrangements, Mr. Li continues to act as the joint company secretary of the Company together with Ms. Wong. Mr. Li is the main contact of Ms. Wong in the Company.

On 19 March 2024, Mr. Li Hui resigned as a joint company secretary of the Company, and Ms. Li Jia was appointed as the replacing joint company secretary of the Company. As Ms. Li Jia does not possess the qualifications as required under Rule 3.28 and Rule 8.17 of the Listing Rules at the time of her appointment, the Company has applied for and the Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules, and the waiver is valid for a period of three years commencing from the date of Ms. Li Jia’s appointment as a joint company secretary of the Company, based on the conditions that (i) Ms. Li Jia must be assisted by Ms. Wong during the period of the waiver, and the waiver could be revoked if there are material breaches of the Listing Rules by the Company. For further details, please refer to the announcement of the Company dated 19 March 2024. Following the appointment of Ms. Li Jia as the joint company secretary of the Company, Ms. Li Jia became the main contact of Ms. Wong in the Company.

Both Mr. Li and Ms. Wong have complied with the Rule 3.29 of the Listing Rules and participated in no less than 15 hours of training during the Reporting Period.

## 8. INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognizes that it is responsible for the Company's risk management and internal control system and reviews its effectiveness. Risk management and internal control measures are aimed at managing, rather than eliminating, the risk of failing to achieve business objectives, and can only provide reasonable but not absolute guarantee against major misstatements or losses.

The Board is responsible for establishing and maintaining a sound internal control and risk management system, and reviews its effectiveness on an annual basis. The Audit Committee is mainly responsible for inspecting, reviewing and supervising the Company's financial information and its reporting procedures, and the communication, supervision and verification of internal and external audits, as well as connected transaction control and daily management; the risk control committee is mainly responsible for the control, management, supervision and evaluation of the Company's risks. The Company also established an independent audit department to review the development and implementation of internal control and risk management systems. The audit department will conduct special audits on the weak link of the internal controls every year, sort out the internal control defects, and make recommendations for rectification, and continuously improve the internal control system through internal and external supervision and inspection to control the risks at a reasonable level.

The Board has reviewed the internal control and risk management systems during the Reporting Period, including the Company's resources in accounting and financial reporting functions, staff qualifications and experience, as well as the adequacy of training courses and budget. The Board believes that the Company's internal control and risk management systems are effective and adequate.

The Company has established procedures for identifying, handling and disseminating inside information in compliance with the SFO (Chapter 571 of the Laws of Hong Kong), including the issue of an inside information disclosure policy, the annual review and update (if necessary) of such inside information disclosure policy, pre-clearance on dealing in Company's securities by Directors, notification of regular blackout period and securities dealing restrictions to relevant Directors and employees have been implemented by the Company to guard against possible mishandling of inside information within the Group.

## 9. AUDITORS' REMUNERATION

During the year ended 31 December 2024, the audit service fee paid to the Company's auditors was approximately RMB1.65 million. During the year ended 31 December 2024, the auditors did not provide significant non-audit services to the Company.

## 10. INFORMATION DISCLOSURES

The Company has established procedures and internal controls for dealing with internal information disclosure, so as to standardize the Company's information disclosure behavior, ensure the fairness and integrity of information disclosure and protect the legitimate rights and interests of the Shareholders. According to the requirements of the Listing Rules, the information subject to disclosure by the Company for the year ended 31 December 2024 was published on the website of the Stock Exchange in a timely and effective manner.

## CORPORATE GOVERNANCE REPORT

### 11. DIRECTORS' RESPONSIBILITY REGARDING PREPARATION OF FINANCIAL REPORT

The Directors acknowledge its responsibility to prepare the Company's financial statements, ensure the Company's financial statements are prepared in accordance with relevant regulations and applicable accounting standards, and are published in due course.

The Directors take responsibility for supervising the preparation of financial reports. In the preparation of the financial statements for the year ended 31 December 2024, the Directors have selected appropriate accounting policies and made prudent and reasonable judgments and estimates to give a true and fair view of the financial position and performance of the Company during the Reporting Period.

A statement by the Company's auditor about its reporting responsibilities is included in the Auditors' Report of this annual report.

### 12. ARTICLES OF ASSOCIATION AND AMENDMENTS

For the period from 1 January 2024 to 31 December 2024, there have been no changes to the Articles of Association.

### 13. INVESTOR RELATIONS

The Company attaches great importance to investor relations activities. The Board and the management believe that investor relations can enhance mutual understanding between investors and the Company and enhance corporate governance, transparency and credibility. Since its listing, the Company has been focusing on providing accurate and timely information to investors, maintaining adequate communication with investors and continuously improving investor relations. We also believe that reporting to shareholders and establishing good investor relations are crucial. The Company actively establishes different communication channels with investors to keep them informed of the latest business developments and financial performance, including annual general meetings, publication of annual reports, announcements and circulars on the websites of the Stock Exchange and the Company, so as to maintain a high degree of transparency.

The annual general meeting of the Company provides opportunities for direct communication between Shareholders and Directors. The chairman of the Company and the chairmen of the committees of the Board will attend annual general meetings to answer questions from Shareholders. The Company's external auditors will also attend annual general meetings and answer questions on audit, preparation and content of auditors' report, accounting policies and independence of the auditors. The Company held an annual general meeting on 13 June 2024 for the financial year ended 31 December 2024.



## CORPORATE GOVERNANCE REPORT

In addition, the Company highly appreciates the feedback of investors and ensures that their opinions can reach the management through answering calls from investors.

In order to promote effective communication, the Company has adopted a Shareholder communication policy, aiming at establishing relationship and communication channel between the Company and its Shareholders, and has set up a website (<http://www.scntgf.com>), and the Company will make the latest data related to its business operation and development, financial data, corporate governance practices and other materials available to the public on the aforesaid website and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The Company also maintains investor inquiry channels. Shareholders who wish to make inquiries about the Company to the Board may resort to the following channels, and the Company will respond to relevant inquiries in an appropriate way and in a timely manner:

Address: No. 789, Renhe Road, Wenjiang District, Chengdu City, Sichuan Province, the PRC

Telephone number: +86 (28) 86299666

Fax: +86 (28) 86299666

E-mail: [db@scntgf.com](mailto:db@scntgf.com)

Company website: <http://www.scntgf.com>

In the future, the Company will continue to promote investor relationship management and strengthen communication with Shareholders and potential investors.

For the year ended 31 December 2024, the Board reviewed and confirmed the implementation and effectiveness of the communication policy, taking into account that the Company has established communication channels to provide Shareholders and investors with timely information on the latest development of the Group.

## 14. OUR CULTURE

The Company has been committed to the guiding role of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, deeply practices Xi Jinping's Thought on Culture, guides cultural construction by Party building, and integrates corporate culture into the whole process of management, ideological and political and spiritual civilization construction. The Company has been comprehensively strengthened the systematic construction of corporate culture, and enhanced the corporate brand value by reinforcing publicity and guidance, selecting models and building strong cultural fronts. It has been awarded the national "AAA Creditable Enterprise in Enterprise Credit Evaluation", "Enterprise with Integrity" in Sichuan Province, "Tianfu Comprehensive Reform Enterprise" A-level (benchmark) and other titles. It has also successfully established a demonstration site of "four focuses and high quality development" grassroots ideological and political work for state-owned enterprises in the Party Committee system of Sichuan State-owned Assets Supervision and Administration Commission, and nurtured the brand of "Passing on the Torch to Brighten Up the Future with Electricity" which won the "Top Ten Cultural Brands of Sichuan State-owned Enterprises" Excellence Award. It has built the "Brightening the Five Stars under the Leadership of the Party" party building brand matrix and has been awarded honorary titles such as the "First Batch of Demonstration Enterprises in the Sichuan Tianfu State-owned Enterprise Party Building Demonstration and Leading Project" and the "Sichuan Energy Investment 2024 Annual Party Building Demonstration and Leading Enterprise". The Company fully tapped the role of Party members and the masses, actively organized and carried out various and vivid corporate culture activities, and the Company's staff library was awarded the title of "National trade Union Staff Library Demonstration Site", which further enhanced the sense of identity and belonging of management members and employees, created a sound atmosphere of joint efforts and passion to win, and provided strong cultural support and ideological guarantee for promoting the Company's high-quality development.

Details of the Company's mission, vision and values, as well as related initiatives, can be found in "Corporate Culture" under "About Us" and "News" on the Company's website and the 2024 Environmental, Social and Governance Report.

# DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Set out below are details of the Directors, Supervisors, and senior management as of the date of this annual report:

## DIRECTORS

Name	Age	Position
He Jing	48	Executive Director, Chairman, Chairman of the Nomination Committee
Wang Yuanchun	49	Executive Director, Deputy Chairman
Xie Peixi	43	Executive Director, Chairwoman of the Labor Union
Han Chunhong	47	Non-executive Director, Member of the Audit Committee
Tao Xueqing	36	Non-executive Director, Member of the Risk Control Committee
Gao Bin	50	Non-executive Director, Member of the Remuneration and Evaluation Committee
Zhao Gen	42	Non-executive Director
Kong Ce	43	Non-executive Director
Siu Chi Hung	53	Independent Non-executive Director, Chairman of the Audit Committee, Member of the Risk Control Committee
Li Jian	40	Independent Non-executive Director, Chairman of the Risk Control Committee, Member of the Audit Committee
Mou Yingshi	63	Independent Non-executive Director, Member of the Nomination Committee, Member of the Remuneration and Evaluation Committee
Chen Chuan	49	Independent Non-executive Director, Chairman of the Remuneration and Evaluation Committee, Member of the Nomination Committee
He Yin	49	Independent Non-executive Director

## SUPERVISORS

Name	Age	Position
Deng Ruipu	41	Chairlady of the Supervisory Committee
Wang Meng	42	Supervisor
Sun Hui	30	Supervisor
Fu Ruoxue	51	Supervisor
Su Lijiang	43	Employee representative Supervisor
Tian Wenwei	32	Employee representative Supervisor

## SENIOR MANAGEMENT

Name	Age	Position
Wang Yuanchun	49	General Manager
Ding Daijun	56	Deputy General Manager
Lin Xuechuan	54	Deputy General Manager
You Xiao	55	Deputy General Manager
Chen Hanguang	45	Deputy General Manager
Li Bi	45	Chief Accountant
Wang Xu	56	Chief Engineer
Peng Wanzhang	51	Chief Economist

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### I. MEMBERS OF THE BOARD OF DIRECTORS

**Mr. He Jing**, aged 48, currently serves as the chairman of the Board, an executive Director and chairman of the nomination committee of the Group. Mr. He Jing is a political analyst (政工師) with a bachelor's degree in law from Southwest University of Political Science & Law and a master degree from Southwest Petroleum University. Mr. He has been the Secretary of the Party's Committee of the Company since February 2023. Before joining the Company, Mr. He served as clerk and assistant judge in Mianyang Intermediate People's Court (綿陽市中級人民法院) from August 1998 to July 2002. From July 2002 to June 2012, he worked in several positions in the General Office of the Communist Party Committee of Sichuan Province (中共四川省委辦公廳), including deputy chief of the inspection office, chief of the inspection office and secretary of the Communist Youth League under the institution. From June 2012 to July 2012, he served as a member of the gas preparatory team of Sichuan Energy Investment Group Co., Ltd.\* (四川省能源投資集團有限責任公司). From July 2012 to January 2021, he worked in several positions in Sichuan Natural Gas Investment Co., Ltd.\* (四川省天然氣投資有限責任公司), including director, head of administration department, employee director, member of the Party's Committee, president of union, chairman and legal representative. From July 2013 to December 2013, he also served as the director, general manager and legal representative of Sichuan Natural Gas Mianyang Gas Co., Ltd.\* (四川省天然氣綿陽燃氣有限責任公司). From November 2013 to February 2021, he served as the chairman of Sichuan Hongran Green Energy Co., Ltd.\* (四川省虹然綠色能源有限責任公司). From October 2014 to February 2021, he also served as the director of Sichuan Natural Gas Jiangyou Gas Co., Ltd.\* (四川省天然氣江油燃氣有限責任公司). From April 2016 to February 2021, he also served as the chairman of Sichuan Natural Gas Fuhui Gas Co., Ltd.\* (四川省天然氣富匯燃氣有限責任公司). Since November 2018, he has also served as a supervisor in HSIG Limited (香港天冉國際集團有限公司). From November 2020 to February 2023, he served as Secretary of the Party's Committee, chairman, legal representative and preparatory team leader in Sichuan Natural Gas Investment Group Co., Ltd.\* (四川省天然氣投資集團有限責任公司). Mr. He has been serving as Secretary of the Party's Committee of the Company since February 2023 and a director of Sichuan Province Hydropower Investment and Management Group Co., Ltd.\* (四川省水電投資經營集團有限公司).

**Mr. Wang Yuanchun**, aged 49, is currently an executive Director, vice chairman, general manager and deputy secretary of the Party Committee of the Group. Mr. Wang is an engineer with a bachelor degree of administrative management from China Central Radio & TV University\* (中央廣播電視大學). He obtained the first-level/senior technician professional qualification certificate issued by the Ministry of Human Resources and Social Security of China in October 2014. Before joining the Group, he worked at Yibin County Gaosheng Hydropower Management Station\* (宜賓縣高昇水電管理站) from June 1991 to March 1999, and he served as the head of station in Yibin County Kongtan Comprehensive Management Station\* (宜賓縣孔灘綜合管理站), the leader and the squad leader of Gaosheng marketing group in Yibin Changyuan Electric Power Company Baihua Power Supply Station\* (宜賓長源電力公司白花供電所), the deputy head and the chairman of the trade union in Sichuan Changyuan Electric Power Co., Ltd. Lichang Power Supply Station\* (四川長源電力股份公司李場供電所), the deputy head in Sichuan Hydropower Investment & Management Group Yibin Changyuan Electric Power Company Baihua Power Supply Station\* (四川省水電投資經營集團宜賓長源電力公司白花供電所) from March 1999 to August 2001, August 2001 to March 2004, March 2004 to February 2006 and February 2006 to June 2011, respectively, and the deputy manager in Sichuan Hydropower Group Meigu Electric Power Co., Ltd.\* (四川省水電集團美姑電力有限公司), an executive director in Meigu Jinhe Development Co., Ltd.\* (美姑金禾開發有限公司) from June 2010 to June 2012 and June 2012 to November 2013, respectively. Mr. Wang joined the Group in November 2013 and served as deputy general manager, party secretary, executive director and general manager of Sichuan Energy Investment Junlian Electric Power Co., Ltd.\* (四川能投筠連電力有限公司) from November 2013 to September 2014, September 2014 to September 2021 and September 2014 to June 2017 respectively. Mr. Wang also served as the secretary of the Party Committee and an executive director of Sichuan Energy Investment Yibin Electric Power Engineering Construction Co., Ltd.\* (四川能投宜賓電力工程建設有限公司) from September 2017 to January 2020, the deputy general manager of the Company from June 2016 to December 2023, and a member of the Party Committee of the Company from July 2016 to December 2023.



## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Ms. Xie Peixi**, aged 43, is currently an executive Director, the deputy secretary of party committee and the chairwoman of labor union of the Group and joined the Group in January 2019. Ms. Xie is a political analyst (政工師) with a bachelor degree of law from Chengdu University of Information Technology\* (成都信息工程學院). Before joining the Group, she once worked in Dazhou Urban Planning and Construction Management Supervisory Branch\* (達州市城市規劃建設管理監察支隊) from December 1999 to April 2000. Ms. Xie successively served as the director of Dazhou Women's Association in Joint Law Enforcement Branch for Urban Management\* (達州市城市管理聯合執法支隊婦女會) from May 2004 to July 2007, the secretary of communist youth league, vice chairwoman of labor union, and the director of female worker committee and the director of labor union office in Sichuan Province Hydropower Investment and Management Group Co., Ltd. from April 2008 to March 2019, May 2015 to March 2019 and December 2015 to March 2017, respectively, a director of staff and the chairwoman of labor union in Sichuan Energy Investment Power Sale Co., Ltd.\* (四川能投售電有限責任公司) from November 2016 to January 2019.

**Ms. Han Chunhong**, aged 47, is currently a non-executive Director and a member of the Audit Committee and joined the Group in March 2018. Ms. Han is a senior economist with a master degree of technical economy and management from Northeast Electric Power University\* (東北電力大學). Ms. Han is currently the director of capital operation and general manager of capital operation department in China Power International Development Limited\* (中國電力國際發展有限公司) ("China Power", stock code: 2380.HK). She served as a manager and a senior manager of capital operation department in China Power from May 2003 to June 2015, the deputy manager and the general manager of investor relations department in China Power International New Energy Holding Ltd.\* (中電國際新能源控股有限公司) from June 2015 to December 2017, the deputy general manager of capital operation department in China Power from December 2017 to May 2021, acting as the general manager, the director of capital operation department in China Power since May 2021, acting as the general manager, and was appointed as the general manager of capital operation department in April 2022. She has been serving as the director of capital operation and general manager of the capital operation department of China Power since September 2023.

**Mr. Tao Xueqing**, aged 36, currently serves as a non-executive Director and member of the Risk Control Committee, and joined the Group in April 2023. Mr. Tao obtained a master's degree from Central University of Finance and Economics majoring in technical economics and management. From July 2012 to June 2015, he served as a trainee and an investment operations associate in Beijing Changdian Innovation Investment Management Co., Ltd.\* (北京長電創新投資管理有限公司). Mr. Tao has been working in several positions in Three Gorges Capital Holding Co., Ltd.\* (三峽資本控股有限責任公司) since June 2015, including investment manager in the research consulting department from June 2015 to October 2018; investment manager and senior investment manager in the investment management department from October 2018 to June 2022. Mr. Tao was seconded to the corporate management department of China Three Gorges Corporation\* (中國長江三峽集團公司) and the integrated coordination team of the office of the State Council's State-owned Enterprise Reform Leading Group (國務院國有企業改革領導小組辦公室) from September 2016 to March 2017 and from March 2021 to January 2022, respectively. Mr. Tao has been serving as the deputy general manager of the investment management department of Three Gorges Capital Holding Co., Ltd. since June 2022.

**Mr. Gao Bin**, aged 50, currently serves as a non-executive Director and member of the Remuneration and Evaluation Committee, and joined the Group in August 2024. Mr. Gao graduated from Southwest University of Political Science & Law majoring in law in December 1999. Mr. Gao is currently the deputy general manager and a director of Gao County Development and Investment Group Company Limited\* (高縣發展投資集團有限責任公司). He served as the chairman of the supervisory committee of Gao County Development and Investment Group Company Limited from June 2021 to September 2024, and has served as the deputy general manager of Gao County Development and Investment Group Company Limited since September 2024 and a director of Gao County Development and Investment Group Company Limited since December 2024. Prior to that, Mr. Gao worked at the Jiang'an Highway Transportation Management Office\* (江安公路運輸管理所) between July 2001 and August 2003; served as the deputy director of the Gao County Transportation Management Office Yuejiang Transportation and Management Station (高縣運輸管理所月江運管站) between August 2003 and April 2012, served as the captain of the Gao County Highway Administration Management Brigade (高縣公路路政管理大隊) between April 2012 and September 2020; and served as the deputy general manager of Gao County Fuxi Industrial Concentration Zone Investment Development Co., Ltd. \* (高縣福溪工業集中區投資開發有限公司) between October 2020 and May 2021.



## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Mr. Zhao Gen**, aged 42, currently serves as a non-executive Director, and joined the Group in August 2024. Mr. Zhao graduated from the Southwestern University of Finance and Economics (西南財經大學) with a bachelor's degree majoring in finance in June 2005, and subsequently graduated from the Sichuan University (四川大學) with a master's degree majoring in software engineering in December 2013. Mr. Zhao is currently (since April 2024) a member of the Party Committee and the deputy general manager of Yibin Development Holding Group Limited\* (宜賓發展控股集團有限公司). Prior to that, Mr. Zhao served as the deputy general manager of Sichuan Jinxin Group Co., Ltd.\* (四川金鑫集團有限公司) between July 2005 and September 2006. Between September 2006 and December 2008, Mr. Zhao worked as an officer of the Gao County Shahe Town Government (高縣沙河鎮政府). Between December 2008 and May 2016, Mr. Zhao served in various positions successively in the Yibin Municipal Development and Reform Commission Railway Construction Comprehensive Section (宜賓市發展和改革委員會鐵路建設綜合科), including staff member, deputy section chief and section chief. Mr. Zhao then served as the secretary of the Gao County Zantan Town Party Committee (高縣渣灘鄉黨委) between May 2016 and June 2019, as the secretary of the Gao County Yangtian Town Party Committee (高縣羊田鄉黨委) between June 2019 and September 2019, and as the secretary of the Gao County Kejiu Town Party Committee (高縣可久鎮) between September 2019 and March 2020. Between March 2020 and April 2021, Mr. Zhao served as the deputy general manager of Sichuan Longxuyi Railway Co., Ltd.\* (四川隆敘宜鐵路有限公司). Between April 2021 and April 2024, Mr. Zhao served in various positions successively in Sichuan Changjiang Private Economic Financing Guarantee Co., Ltd.\* (四川長江民營經濟融資擔保有限公司), including member of the Party Committee, the chairman of the supervisory committee and deputy general manager. Concurrently between June 2023 and April 2024, Mr. Zhao served as a member of the Party Committee and the deputy general manager of Sichuan Changjiang Guarantee Group Co., Ltd.\* (四川長江擔保集團有限公司).

**Mr. Kong Ce**, aged 43, currently serves as a non-executive Director, and joined the Group in April 2023. Mr. Kong obtained a master's degree from University of Electronic Science and Technology of China majoring in software engineering. Mr. Kong served as a staff officer in the People's Liberation Army (中國人民解放軍) in 1997 and was awarded the rank of captain in 2008. Mr. Kong has been a director and the acting general manager of Sichuan Tianqi Shenghe Lithium Co., Ltd.\* (四川天齊盛合鋰業有限公司) since June 2024, and served as the administration and public affairs director of Tianqi Lithium Corporation (a company listed on the Stock Exchange, stock code: 9696, and on the Shenzhen Stock Exchange, stock code: SZ002466) from August 2021 to June 2024. Before joining Tianqi Lithium Corporation, Mr. Kong served as a captain staff officer in Unit 78051 (78501部隊) from August 2002 to November 2012. From November 2012 to February 2018, Mr. Kong was a first-level principal staff member in the Sichuan Development and Reform Commission (四川省發展和改革委員會), and served as a deputy director of the major project office from February 2018 to October 2018. From November 2018 to August 2021, he served as the an assistant to the general manager of Sichuan Development in Hengneng Environmental Technology Co., Ltd. \* (四川發展中恆能環境科技技術有限公司).

**Mr. Siu Chi Hung**, aged 53, currently serves as an independent non-executive Director, chairman of the Audit Committee and member of the Risk Control Committee, and joined the Group in August 2024. Mr. Siu graduated from the Chinese University of Hong Kong with a bachelor's degree in Business Administration in May 1994. Mr. Siu is currently a non-practising member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Independent Non-Executive Director Association. He was formerly a member of the American Institute of Certified Public Accountants. Mr. Siu obtained the qualification certificate of independent directors for listed companies (上市公司獨立董事資格證書) from the Shenzhen Stock Exchange in February 2021. Mr. Siu has over 25 years of accounting experience. Mr. Siu joined KPMG (Hong Kong) in August 1994 as an accountant and became a partner in July 2008. He was the principal partner of Real Estate of KPMG (China) and the principal partner of Capital Markets Development, Southern China of KPMG (China) before his retirement from KPMG (China) in June 2018. Mr. Siu is currently an independent non-executive director of Dongjiang Environmental Company Limited\* (東江環保股份有限公司) (a company listed on the Stock Exchange, stock code: 0895), an independent non-executive director of China Gas Industry Investment Holdings Co. Ltd. (a company listed on the Stock Exchange, stock code: 1940) and an independent non-executive director of China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司) (a company listed on the Stock Exchange, stock code: 2068). Mr. Siu was an executive director of LVGEM (China) Real Estate Investment Company Limited (綠景(中國)地產投資有限公司) (a company listed on the Stock Exchange, stock code: 0095) from 20 September 2019 to 20 September 2021, an independent non-executive director of Roiserv Lifestyle Services Co., Ltd. (榮萬家生活服務股份有限公司) (a company listed on the Stock Exchange, stock code: 2146) from 6 April 2020 to 20 July 2022, an independent non-executive director of Central China Management Company Limited (中原建業有限公司) (a company listed on the Stock Exchange, stock code: 9982) from May 2021 to May 2024 and an independent non-executive director of MicroPort NeuroTech Limited (微創腦科學有限公司) (a company listed on the Stock Exchange, stock code: 2172) from June 2022 to June 2024.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Prof. Li Jian**, aged 40, is currently an independent non-executive Director, chairman of the Risk Control Committee and member of the Audit Committee, and joined the Group in August 2021. Prof. Li holds a PhD in detection technology and automation devices from the University of Electronic Science and Technology\* (電子科技大學) in China. Prof. Li is currently a professor at the School of Mechanical and Electrical Engineering of the University of Electronic Science and Technology. Before joining the Group, he was an associate professor in the School of Energy Science and Engineering of the University of Electronic Science and Technology from 2014 to 2017, a candidate-to-be of the Sichuan Province Academic and Technical Leaders, a member of the 13th Five-Year Plan of Sichuan Province in the field of new energy, a senior member of the Institute of Electrical and Electronics Engineers (IEEE) (as a guest editor of the IET). In December 2023, he served as the deputy director of Key Laboratory of Low-carbon Smart Power Energy System in Sichuan Province.

**Mr. Mou Yingshi**, aged 63, is currently an independent non-executive Director, member of the Nomination Committee and member of the Remuneration and Evaluation Committee, and joined the Group in August 2024. Mr. Mou graduated from (i) the Sichuan Education College (四川教育学院) after completing a full-time study program majoring in political education in July 1987; (ii) the Sichuan College of Business Administration (四川省工商管理學院) in July 2002, after completing graduate studies in business administration; and (iii) the Sichuan Normal University (四川師範大學) with a bachelor's degree in law after passing the self-taught higher education exam (高等教育自學考試) in June 2006. Mr. Mou is a senior economist accredited by the China National Petroleum Corporation Senior Technical Position Review Committee (中國石油天然氣集團公司高級技術職務評審委員會) in May 2008. Mr. Mou has over 21 years of experience in the fields of law and corporate management. Mr. Mou worked at China National Petroleum Corporation Southwest Oil and Gas Field Branch\* (中國石油天然氣股份有限公司西南油氣田分公司) in June 2003, and successively served as the deputy director of the Corporate Management and Regulations Department (企管法規處), director of the Corporate Management and Internal Control Department (企管與內控處), and director of the Corporate Management and Regulations Department (企管法規處) (formerly the director of the Internal Control and Risk Management Department (內控與風險管理處) before the internal restructuring) before his retirement in March 2018. Prior to the aforesaid, Mr. Mou served as a driller under the Sichuan Petroleum Administration Bureau Chuan Xinan Mining Area (四川石油管理局川西南礦區) between September 1980 and October 1989. Between October 1989 and February 1992, Mr. Mou served as the union officer, publicity officer and assistant political engineer of Sichuan Petroleum Administration Bureau Chuan Xinan Mining Area Drilling Company (四川石油管理局川西南礦區鑽井公司). Mr. Mou then served as the organizational officer of Sichuan Petroleum Administration Bureau Chuan Zhong Oil and Gas Company Transportation Company\* (四川石油管理局川中油氣公司運輸公司) between February 1992 and September 1997 and served as the deputy director of the corporate management and regulations department (企管法規部) of Sichuan Petroleum Administration Bureau Chuan Zhong Oil and Gas Company\* (四川石油管理局川中油氣公司) between September 1997 and October 1999. Mr. Mou worked at China National Petroleum Corporation Southwest Oil and Gas Field Branch Chuan Zhong Oil and Gas Mine\* (中國石油天然氣股份有限公司西南油氣田分公司川中油氣礦) and served as the deputy director of the corporate management and regulations department (企管法規部) between October 1999 and March 2000 and as the director of the corporate management and regulations department (企管法規部) and economist between March 2000 and June 2003. Mr. Mou was appointed as the Management and Innovation Achievement Review Expert (管理創新成果評審專家) of China National Petroleum Corporation (中國石油天然氣集團) for the period between 2017 and 2019. Mr. Mou was further awarded the titles of Advanced Individual in the field of Legal Affairs for the years 2000 to 2002 (2000-2002年度法律工作先進個人) by Petrochina Company Limited (中國石油天然氣股份有限公司) in February 2003 and Advanced Individual of Management Enhancement Activities (管理提升活動先進個人) by China National Petroleum Corporation (中國石油天然氣集團公司) in May 2014. In addition, Mr. Mou served as a visiting professor at the Corporate Legal Risk Prevention and Control Research Center (企業法律風險防控研究中心) of Southwest University of Political Science & Law (西南政法大學) for five years from March 2017 and as a visiting professor at the School of Economics of Southwest University of Political Science & Law (西南政法大學) between March 2017 and February 2020.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Mr. Chen Chuan**, aged 49, is currently an independent non-executive Director, chairman of the Remuneration and Evaluation Committee and member of the Nomination Committee, and joined the Group in August 2024. Mr. Chen graduated from (i) the civil engineering department of Tsinghua University (清華大學) with a bachelor's degree in construction management engineering in July 1999; (ii) the civil engineering department of the National University of Singapore and obtained a master's degree in infrastructure systems and management in January 2003; (iii) the Melbourne Business School and obtained a master's degree in applied finance in August 2011; and (iv) the Pennsylvania State University with a doctor of philosophy in architectural engineering in December 2005. Mr. Chen is currently (i) (since July 2012) a professor of engineering management, doctoral supervisor, and director of the Infrastructure Investment and Operation Research Center at the Business School of Sichuan University (四川大學商學院); (ii) (since May 2015) the founder and general manager of Roca Infrastructure Data & Analytics Co., Ltd. (成都羅卡基建商務信息諮詢有限公司), a company which primarily engaged in providing consultation services in relation to infrastructure investment and financing, project development and operation. Prior to the above, Mr. Chen served as the business manager assistant of Cleveland Bridge & Engineering Company between July 1998 and June 1999. Between January and December 2006, Mr. Chen was a lecturer of the construction management department of Qinghua University. Subsequently, between January 2007 and July 2012, Mr. Chen served as the lecturer of engineering management in the School of Architecture of the University of Melbourne. He served as an independent director of Sichuan Joyou Digital Technologies Co., Ltd. \* (四川君逸數碼科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301172) from January 2019 to July 2024. Mr. Chen is currently an expert of the Decision-making Consultation Think Tank of the Chengdu Finance Bureau (成都市財政局決策諮詢智庫), and the vice president of the China Association of International Engineering Consultants, Ministry of Commerce (商務部中國國際工程諮詢協會). He was formerly a member of the American Society of Civil Engineer, a consultant of the Public-Private Infrastructure Advisory Facility (PPIAF), a counsellor of the Society of Management Science and Engineering of China (中國管理科學與工程學會) and an expert of the PPP Experts Database of both the National Development and Reform Commission and the Ministry of Finance (國家發改委和財政部的PPP專家庫).

**Ms. He Yin**, aged 49, currently serves as an independent non-executive Director, and joined the Group in April 2023. She graduated from the School of Economics, Peking University in July 1998 and obtained a bachelor's degree in economics. Subsequently, she obtained a master's degree and a doctoral degree from University of Colorado Boulder majoring in economics in 2000 and 2004, respectively. Ms. He has been working in several positions in the School of International Trade and Economics, University of International Business and Economics since September 2009, including assistant professor from September 2009 to April 2011; associate professor from April 2011 to December 2017. Ms. He has been serving as a professor in the School of International Trade and Economics, University of International Business and Economics since December 2017. Before joining the University of International Business and Economics, Ms. He served as a research assistant, from August 1998 to August 2001 and from August 2003 to August 2004; a teaching assistant from August 2000 to August 2001; a graduate part-time instructor from August 2001 to August 2003; and a visiting scholar from January 2008 to February 2009 in the School of Economics, University of Colorado. From October 2003 to February 2004, she served as an assistant analyst in Jack Anthony Group, Inc. From February 2005 to February 2006, she served as a project consultancy researcher in the World Bank. From August 2004 to April 2008, she served as an assistant professor in the National School of Development, Peking University (北京大學國家發展研究院) (previously known as the China Centre for Economic Research, Peking University (北京大學中國經濟研究中心)). From May 2005 to December 2008, she was a researcher of the National Economic Research Institute, China Reform Foundation (中國經濟改革研究基金會國民經濟研究所). From March 2009 to September 2009, she served as an economist in Beijing Finance & Economics Magazine Agency Co., Ltd. (北京《財經》雜誌有限公司). Ms. He served as an independent director and the chairperson of risk control committee of Baoying Fund Management Co., Ltd. since May 2023.



# DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

## II. MEMBERS OF THE SUPERVISORY COMMITTEE

**Ms. Deng Ruipu**, aged 41, obtained a bachelor's degree majoring in international economic and trade from Hohai University in June 2005. She further obtained a master's degree in economics majoring in national economics from Hohai University in March 2008. China Three Gorges Corporation\* (中國長江三峽集團有限公司) granted the qualification of senior economist to her in December 2014. Ms. Deng worked at the research and development department of Three Gorges Finance Co., Ltd. (三峽財務有限責任公司) between May 2008 and October 2009, and subsequently worked at the equity investment management department of the same company between November 2009 and June 2015 (during which she was also acting as a member of the league branch organization (團支部組織委員) of the company between July 2011 and May 2012, and as a member of the league committee (團委委員) of the company between May 2012 and June 2015). Ms. Deng then worked at the equity interest management department of Three Gorges Capital Holdings Company Limited\* (三峽資本控股有限責任公司) between June 2015 and March 2016. Since March 2016, Ms. Deng has worked at the investment management department of the same company, and was promoted to senior investment manager in December 2016, and as the chief investment officer since April 2019. Ms. Deng has served as the deputy general manager of the investment management department since June 2022, and has served as the deputy general manager of the investment management department and presided over the work since April 2023.

**Ms. Wang Meng**, aged 42, is currently a Supervisor of the Company primarily responsible for monitoring and supervising the operational and financial activities of the Company. She graduated from The National Police University for Criminal Justice in the PRC, majoring in law in July 2002. Ms. Wang served as a police officer at the Xingwen County Public Security Bureau between January 2003 and June 2007. Subsequently she worked as an office clerk at Xingwen County Shunda Blasting Engineering Co., Ltd.\* (興文縣順達爆破工程有限責任公司) between September 2009 and October 2012, and as the office manager at Sichuan Province Xingwen County Guangming Coal Mine\* (四川省興文縣光明煤礦) between October 2012 and June 2016. Since December 2016, she has worked in the finance department of Xingwen County Development Investment Group Co., Ltd.\* (興文縣發展投資集團有限責任公司).

**Ms. Sun Hui**, aged 30, is currently a Supervisor of the Company and is mainly responsible for overseeing and supervising the operations and financial activities of the Company. Ms. Sun graduated from Bazhong Vocational and Technical College in June 2016 with tertiary education qualification majoring in accounting and auditing. Ms. Sun was an office clerk for the Junlian County People's Government (筠連鎮人民政府) between January 2017 and January 2020. Ms. Sun then worked as the office clerk for Julian County Bureau of Economy and Information Technology and Science Technology\* (筠連縣經濟商務信息化和科學技術局) between February 2020 and April 2020. Ms. Sun then worked under the general management department of Junlian County State-owned Capital Investment Operation Co., Ltd.\* (筠連縣國有資本投資運營有限責任公司) between May 2020 and January 2022. Ms. Sun subsequently joined the Party-masses and human resource department of Julian Development Holding Group Limited\* (筠連發展控股集團有限公司) in February 2022 and served as the deputy director of the same department.

**Ms. Fu Ruoxue**, aged 51, is currently a Supervisor of the Company. Ms. Fu is a senior accountant with a part-time bachelor degree jointly granted by Southwestern University of Finance and Economics\* (西南財經大學) and Sichuan Province Higher Education Self-study Examination Committee\* (四川省高等教育自學考試委員會). Ms. Fu is currently a specialized supervisor in Sichuan Development Holding Co., Ltd.\* (四川發展(控股)有限責任公司). Before joining the Group, she served as the head of the audit department in Sichuan Energy Investment Liangli Logistics Development Limited\* (四川能投量力物流發展有限公司) from October 2013 to March 2016, a supervisor of the fourth supervisory committee, a member of discipline committee in Sichuan Chemical Company Ltd.\* (川化股份有限公司) and a member of budget review committee of the labour union of Sichuan Chemical Company Ltd. from October 2008 to May 2012 and December 2008 to October 2013 respectively.



## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Mr. Su Lijiang**, aged 43, joined the Company in December 2023 and is currently an employee Supervisor of the Company. He graduated from the Central Radio and TV University (中央廣播電視大學) (now known as the Open University of China (國家開放大學)) with a diploma degree in administrative management in July 2006; and the China West Normal University (西華師範大學) in the PRC with a bachelor's degree majoring in law in June 2007. Mr. Su is currently the head of the Discipline Inspection and Supervision Department and the office director of the Discipline Inspection Committee of Sichuan Energy Investment Development Co., Ltd.. Prior to joining the Group, Mr. Su worked at Yibin Housing Provident Fund Center (宜賓市住房公積金中心) between December 2007 and August 2012. Between August 2012 and April 2015, Mr. Su served in Gaochang Town, Yibin City (宜賓市高場鎮) where his last held positions were the party committee member, deputy mayor and the military chief. From October to December 2014, he was upgraded to Yibin County Development and Reform Bureau (宜賓縣發改局) as the deputy director. Between April 2015 and November 2015, Mr. Su served in various positions in Gubai Town (古柏鎮, previously known as Bubai Xiang (古柏鄉)), Yibin City, including the Chairman of the People's Congress of Gubai Town, the deputy secretary of Party Committee, the secretary of the Discipline Inspection Committee, the Chairman of the Trade Union, and the first secretary of the Hongmiao Poverty-stricken Village. Subsequently between November 2015 and February 2017, Mr. Su served in the Yibin Food and Drug Administration (宜賓市食品藥品監督管理局), where he served as the chief of Integrated Coordination Section. Between February 2017 and June 2017, Mr. Su served as the office director of Yibin Municipal Bureau of Investment Promotion (宜賓市投資促進局). Afterwards, between June 2017 and April 2019, Mr. Su served as the office director and the secretary of the Second Party Branch of Yibin Municipal Bureau of Investment Promotion and Foreign Affairs and Overseas Chinese Affairs (宜賓市投資促進和外事僑務局). Between April 2019 and January 2022, Mr. Su served as a number of positions in Yibin Municipal Bureau of Economic Cooperation and Foreign Affairs (宜賓市經濟合作和外事局), including office director, the secretary of the Second Party Branch of the Bureau, the full-time deputy secretary of the Party Committee of the Bureau, and his last held positions were the chief of the Integrated Projects Section and a chief clerk, Class I. Subsequently, between January 2022 and October 2022, Mr. Su served as the head of the High-end Equipment Manufacturing Section (Rail Transit Industry Section) and the first-class chief clerk of Yibin Municipal Bureau of Economic Cooperation and Emerging Industries (宜賓市經濟合作和新興產業局). Between October 2022 and November 2023, Mr. Su served as the head of the Equipment Manufacturing Industry Section (Municipal Radio Management Office) and the first-class chief clerk of Yibin Municipal Bureau of Economy and Information Technology (宜賓市經濟和信息化局).

**Ms. Tian Wenwei (田文薇)**, aged 32, joined the Company in April 2016 and is currently an employee Supervisor of the Company. She obtained a bachelor's degree in accounting from the Southwest Petroleum University (西南石油大學) in the PRC in June 2014, and obtained a master degree in international business administration from the University of Electronic Science and Technology of China (電子科技大學) in March 2021. Ms. Tian is currently the Secretary of the Youth League Committee of Sichuan Energy Investment Development Co., Ltd.. Ms. Tian served as the member of the Organizing Committee of the Youth League Branch of the Company between June 2018 and May 2021; She served in the M&A working group of the Company between February 2019 and June 2019; and she served as the deputy secretary of the Youth League Committee and the secretary of the Youth League Branch of the Company between June 2021 and June 2023. Prior to joining the Group, Ms. Tian served in the financial assets department of Sichuan Energy Investment Development Group Co., Ltd\* (四川能投電力開發集團有限公司) between August 2014 and March 2016.

### III. MEMBERS OF SENIOR MANAGEMENT

**Mr. Wang Yuanchun**, aged 49, joined the Group in November 2013 and is currently an executive Director, the deputy chairman, the general manager and the deputy secretary of the Party Committee of the Group. For details of biography of Mr. Wang Yuanchun, please see the section headed "I. Members of the Board of Directors".

**Mr. Ding Daijun**, aged 56, is currently deputy general manager of the Group and joined the Group in October 2011. Mr. Ding is an assistant engineer with a bachelor's degree in chemical equipment and machinery from Sichuan University of Science & Engineering\* (四川輕化工學院). Before joining the Group, he served as a deputy manager and the deputy secretary of party branch in Junlian Power Supply Co., Ltd.\* (筠連供電有限責任公司) from June 2000 to September 2007, and the general manager in Hydropower Group Junlian Electric Power Company\* (水電集團筠連電力公司) from September 2007 to January 2013, and the general manager in Energy Investment Junlian Company\* (能投筠連公司) from January 2013 to July 2014.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Mr. Lin Xuechuan**, aged 54, is currently deputy general manager and safety director of the Group and joined the Group in October 2011. Mr. Lin is an assistant political engineer and assistant engineer, and holds a college diploma in economic management from the Correspondence College of the Party School of the Sichuan Provincial Committee of the Communist Party of China\* (中共四川省委黨校函授學院). Before joining the Group, he successively served as deputy section chief of the supply section of Gao County Laifu Hydropower Station Project Construction Command (高縣來復水電站工程建設指揮部), secretary of the party branch and deputy station manager of the power station of Sichuan Gao County Water Resources and Electricity Bureau\* (四川省高縣水利電力局), director of administrative office of Sichuan Gao County Power Co., Ltd.\* (四川省高縣電力總公司), supervisor, assistant to general manager and director of human resources department of Gao County Power Co., Ltd. of Sichuan Hydropower Group\* (四川省水電集團高縣電力有限公司) from July 1998 to April 2001, from April 2001 to February 2007, from February 2007 to July 2008, from July 2008 to April 2011, and from April 2011 to July 2011, respectively. He served as deputy general manager, secretary of the general party branch, executive director and general manager of Sichuan Energy Investment Gao County Electricity Co., Ltd.\* (四川能投高縣電力有限公司) from July 2011 to July 2016; member of the party committee of Sichuan Energy Investment Development Co., Ltd.\* (四川能投發展股份有限公司) and secretary of the general party branch, executive director and general manager of Sichuan Energy Investment Gong County Electricity Co., Ltd.\* (四川能投珙縣電力有限公司) from July 2016 to April 2017; member of the party committee of Sichuan Energy Investment Development Co., Ltd. and secretary of the general party branch, executive director and general manager of Sichuan Energy Investment Xingwen Electricity Co., Ltd.\* (四川能投興文電力有限公司) from April 2017 to April 2018; member of the party committee and assistant to the general manager of Sichuan Energy Investment Development Co., Ltd. and secretary of the party committee and executive director (legal representative) of Sichuan Energy Investment Yibin Electricity Co., Ltd.\* (四川能投宜賓電力有限公司) from June 2019 to September 2021; safety director of Sichuan Energy Investment Development Co., Ltd. since September 2022; and secretary of the party committee and executive director (legal representative) of Sichuan Energy Investment Gao County Electricity Co., Ltd. and secretary of the party branch and executive director (legal representative) of Sichuan Energy Investment Gao County Integrated Energy Co., Ltd.\* (四川能投高縣綜合能源有限公司) since April 2023.

**Mr. You Xiao**, aged 55, is currently a deputy general manager of the Group and joined the Group in May 2019. Mr. You is an economist with a bachelor degree of finance from China Central Radio & TV University\* (中央廣播電視大學). He has served as the deputy general manager of the Company since May 2019. Before joining the Group, he served as the director of Xinhua Savings Office in Shudu Branch of Bank of China, the director of Luoma Savings Office in Chengdu Branch of Bank of China, the director of Ximapeng Sub-office in Chengdu Qingyang Sub-branch of Bank of China, the director of Chengbei Sub-office, the director of business development department of Bank of China, the director of business division in Jinniu Branch of Bank of China, the governor of High-tech Industrial Development Zone Sub-branch, the director of Industrial and Trade Section in Business Division of Sichuan Branch of Bank of China from February 1990 to October 1991, October 1991 to March 1993, April 1994 to October 1994, October 1994 to April 2001, April 2001 to December 2001, December 2001 to August 2002, August 2002 to May 2003 and May 2003 to June 2005. A deputy director of business division, a deputy senior manager of business department in Bank of Communications, Chengdu Branch, a deputy senior manager of Business Development Department (in charge of affairs) and a senior manager of Key Account Department in Bank of Communications, Sichuan Branch, from July 2005 to January 2006, January 2006 to April 2009, April 2009 to May 2010, and May 2010 to November 2011. A deputy general manager, an executive deputy general manager, a director, the secretary of party branch, the general manager of Chengdu Small Enterprises Credit Guarantee Co., Ltd.\* (成都小企業融資擔保有責任公司) from December 2011 to July 2014, July 2014 to September 2014, September 2014 to November 2014, November 2014 to January 2015 and January 2015 to May 2017. The general manager, the secretary of party branch and an executive director of Western Asset Management (Shenzhen) Co., Ltd.\* (西部資產管理(深圳)有限公司) from August 2017 to December 2017, December 2017 to March 2018, and March 2018 to May 2019, respectively.

**Mr. Chen Hanguang**, aged 45, is currently a deputy general manager of the Group and joined the Group in January 2021. Mr. Chen has a bachelor's degree in Business Administration from Central Television University in China. He has successively served as deputy branch secretary of the party committee, deputy manager of the human resources department, branch secretary of the party committee, manager of the human resources department, manager of the general department and secretary of the board of directors, and assistant to the general manager of Sichuan CPI Fuxi Power Company Limited\* (四川中電福溪電力開發有限公司) from July 2013 to November 2014, from November 2014 to June 2015, from June 2015 to December 2017, from December 2017 to July 2018, from July 2018 to June 2020 and from June 2020 to January 2021.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Ms. Li Bi**, aged 45, is currently the chief accountant of the Group and joined the Group in October 2011. Ms. Li is a senior accountant with a bachelor degree of management majoring in accounting from Southwestern University of Finance and Economics\* (西南財經大學). Ms. Li is currently the chief accountant and a director of Sichuan Energy Investment Electricity Energy Co., Ltd.\* (四川能投電能有限公司). She served as a project manager of the audit department in ShineWing Certified Public Accountants (LLP) Chengdu Branch\* (信永中和會計師事務所 (特殊普通合夥) 成都分所) from July 2009 to July 2010, a temporary principal and the deputy head of the financial and assets department in the Company from October 2011 to December 2012 and December 2012 to August 2013, respectively and the chief accountant of Sichuan Energy Investment Electricity Energy Co., Ltd. from August 2017 to September 2021.

**Mr. Wang Xu**, aged 56, is currently the chief engineer of the Group and joined the Group in May 2013. Mr. Wang is a senior engineer with a bachelor degree of electric power system and automation from University of Science and Technology of Chengdu\* (成都科技大學). He has served as the chief engineer of the Company since June 2019. Before joining the Group, he served as the director of the distribution center in Yibin Electric Power Bureau\* (宜賓電業局調度中心), a senior engineer for line loss management of Yibin Electric Power Bureau\* (宜賓電業局調變損管理), a senior engineer in Yibin Electric Power Bureau Meiyi Leasing Company\* (宜賓電業局美宜租賃公司), a senior engineer for consultation and power transformation design in Yibin Electric Power Bureau and Design Institute\* (宜賓電業局設計院), a director and consulting engineer in Yibin Electric Power Bureau and Design Institute, and senior engineer for electric network planning and management in Institute of Power Economics and Technology of Yibin Electric Power Bureau\* (宜賓電業局電力經濟技術研究所) from November 2001 to August 2003, August 2003 to April 2004, April 2004 to July 2005, July 2005 to January 2009, January 2009 to September 2012, and September 2012 to May 2013, the director of distribution and operation department, an assistant general manager, a deputy chief engineer, the director of investment and development department and the director of production and technology department in the Company from May 2013 to February 2014, February 2014 to July 2014, July 2014 to March 2015, March 2015 to July 2016, and July 2016 to June 2019.

**Mr. Peng Wanzhang**, aged 51, is currently the chief economist of the Group and joined the Group in February 2012. Mr. Peng is a senior engineer with a bachelor of economic management in Party School of Sichuan Committee of C.P.C.\* (四川省委黨校) Mr. Peng currently serves as the chief economist of the Group. Before joining the Group, he served as the superintendent in Luochang Power Supply Station of Gao County Power Co., Ltd.\* (高縣電力總公司羅場供電所) in Sichuan Province, and a deputy manager, a manager and a member of party committee in rural power company from October 2000 to December 2001, December 2001 to June 2003, June 2003 to January 2007 and January 2007 to July 2008, a deputy general manager and a director in Gao County Power Co., Ltd. of Sichuan Hydropower Group and the secretary of party committee, a director and the chairman (legal representative) in Degegesaer Power Co., Ltd. of Sichuan Hydropower Group from July 2008 to June 2011 and from June 2011 to July 2014, respectively. He served as the secretary of party committee, an executive director and the general manager in Sichuan Energy Investment Yibin Power Engineering Construction Co., Ltd.\* (四川能投宜賓電力工程建設有限公司) from May 2015 to September 2017, served as the secretary of the party committee and an executive director in Pingshan Electricity from September 2014 to November 2020, and served as an assistant general manager of the Company from July 2014 to June 2019, respectively. He served as a branch secretary of the party committee, director, chairman of the board and general manager of Sichuan Energy Investment Electricity Energy Co., Ltd.\* (四川能投電能有限公司) from April 2017 to September 2021.





# AUDITOR'S REPORT

## AUDIT REPORT

KPMG Huazhen Shen Zi No. 2508387

To the shareholders of Sichuan Energy Investment Development Co., Ltd.\*,

### I. OPINION

We have audited the accompanying financial statements of Sichuan Energy Investment Development Co., Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated and company balance sheets as at 31 December 2024, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of the Group as at 31 December 2024, and the consolidated and company financial performance and cash flows of the Group for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

### II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the China Code of Ethics for Certified Public Accountants (the "Code"), 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.



## III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Recognition of Revenue from Power Sales

Please refer to the accounting policy as stated in 21 under Note “III. Significant Accounting Policies and Accounting Estimates” and 33 under “V. Notes to Items of Consolidated Financial Statements”.

#### Key audit matter

Revenue from the power sales business of the Group in 2024 amounted to RMB4,339,330,250.74, accounting for 91% of the operating revenue of the Group for the year (2023: RMB3,681,784,222.54, 89%).

Revenue from power sales is recognized at the point in time when the sales are completed.

We identified revenue from power sales as a key audit matter because revenue is one of the key performance indicators of the Group and is significant to the consolidated financial statements, both of which give rise to an inherent risk that revenue could be recorded in an incorrect period or could be subject to manipulation to meet expectations or targets.

#### How the matter was addressed in our audit

- assessing the design, implementation and operating effectiveness of key internal controls over the revenue from power sales business;
- involving internal IT specialists to assist us in assessing the operating effectiveness of IT application controls which were critical to the recognition of revenue from power business;
- inspecting power sales contracts with customers for power supply, on a sample basis, to understand key terms and conditions of sales transactions in order to assess whether the Group has complied with the policies for revenue recognition under the prevailing accounting standards;
- assessing if there was any unreasonable fluctuation of the trend of electricity line loss rate (線損率) year on year by comparing the total power sales volume with the self-generated power volume and externally purchased power volume;
- checking, on a sample basis, whether revenue transactions recorded during the year are consistent with the underlying power supply invoices, meter reading records, bank-in slips, and assessing whether the related revenue had been recognized in accordance with the Group's revenue recognition policies and recorded for correct accounting period;
- obtaining confirmations, on a sample basis, from major corporate customers with corresponding revenue recognized by the Group during the year and, for unreturned confirmations, performing alternative procedures by comparing details of the transactions with relevant underlying documents; and
- scrutinizing all revenue journals which met certain risk – based criteria, with relevant underlying documents.

# AUDITOR'S REPORT

## III. KEY AUDIT MATTERS (CONTINUED)

### Recognition of Revenue from Electrical Engineering Construction Service

Please refer to the accounting policy as stated in 21 under Note “III. Significant Accounting Policies and Accounting Estimates” and 33 under “V. Notes to Items of Consolidated Financial Statements”.

#### Key audit matter

Revenue from the electrical engineering construction service of the Group in 2024 amounted to RMB404,524,018.56, accounting for approximately 8% of the operating revenue of the Group for the year (2023: RMB447,619,015.50, 11%).

Revenue from electrical engineering construction service of the Group is recognized over time based on the performance progress.

We identified the recognition of revenue from the electrical engineering construction service as a key audit matter, because the recognition of revenue relies on management's estimate of the final outcome of each construction contract, which involves an exercise of significant management judgement, particularly in forecasting the estimated total costs to completion.

#### How the matter was addressed in our audit

Our audit procedures regarding recognition of revenue from electrical engineering construction service included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the revenue from electrical engineering construction service;
- inspecting construction service contracts with customers, on a sample basis, to understand key terms and conditions of transactions in order to assess the appropriateness of the Group's accounting policies for revenue recognition with reference to the requirements under the prevailing accounting standards;
- selecting samples from the total actual costs incurred up to year end to inspect the supporting documents including underlying contracts, supplier invoices, bank-in slips and the survey reports from external supervising agencies, where applicable; testing a sample of entries recording cost subsequent to the year end to check if there is any unrecorded costs for the year;
- discussing with management and the project managers, on a sample basis, about the progress of projects based on the contracts, comparing the status of the projects advised by the project managers with the performance progress based on actual costs recorded and challenging the key estimates and assumptions adopted in the forecast of contract revenue and contract costs, including estimated total costs to completion; for major projects, also conducting site visits and physically inspecting status of the projects;

## III. KEY AUDIT MATTERS (CONTINUED)

### Recognition of Revenue from Electrical Engineering Construction Service

Please refer to the accounting policy as stated in 21 under Note “III. Significant Accounting Policies and Accounting Estimates” and 33 under “V. Notes to Items of Consolidated Financial Statements”.

#### Key audit matter

#### How the matter was addressed in our audit

- obtaining a detailed breakdown of the estimated total costs to completion for major contracts in progress during the year and comparing, on a sample basis, the estimated total costs to completion of the relevant underlying agreements to the most updated budgets, and contracts with suppliers;
- recalculating the performance progress and the corresponding revenue required to be recognized based on the latest budgeted costs and actual costs and agreed total revenue amounts, on a sample basis;
- performing a retrospective review for major projects completed during the current year by comparing final performance outcome of the contracts for completed projects with previous estimates made for those contracts to assess reliability of the management's forecasting process;
- obtaining confirmations, on a sample basis, from major corporate customers for billed receivables at the year end and, for unreturned confirmations, performing alternative procedures by comparing details of the transactions with relevant underlying documents; and
- scrutinizing all revenue journals which met certain risk – based criteria, with relevant underlying documents.

## IV. OTHER INFORMATION

The Group's management is responsible for the other information. The other information comprises all the information included in 2024 annual report of the Group, other than the financial statements and our auditor's report thereon.

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

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

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



## AUDITOR'S REPORT

### V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (2) 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 internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.
- (5) Evaluate the overall presentation, including the disclosures, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



### VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

**KPMG Huazhen LLP**

Beijing, China

*Chinese Certified Public Accountants*

**Fang Haijie (Engagement partner)**

Wen Yawen

26 March 2025

# CONSOLIDATED BALANCE SHEET

31 December 2024  
(Expressed in RMB)

	Notes	2024	2023
<b>Assets</b>			
<b>Current assets:</b>			
Cash at bank and on hand	V.1	569,899,108.46	500,263,848.63
Bills receivable	V.2	—	1,000,000.00
Accounts receivable	V.3	887,571,798.18	693,160,459.12
Prepayments	V.4	98,798,762.64	59,193,472.70
Other receivables	V.5	82,942,355.34	56,420,623.13
Inventories	V.6	64,631,970.56	96,133,952.52
Contract assets	V.7	282,396,998.48	117,035,084.73
Other current assets	V.8	17,814,128.58	39,790,906.73
Total current assets		2,004,055,122.24	1,562,998,347.56
<b>Non-current assets:</b>			
Long-term equity investments	V.9	350,559,753.18	369,261,254.81
Other non-current financial assets		170,250.00	170,250.00
Fixed assets	V.10	4,254,887,729.31	3,888,494,489.50
Construction in progress	V.12	458,196,521.73	277,005,824.43
Right-of-use assets	V.11	8,059,476.63	6,889,472.80
Intangible assets	V.13	210,721,025.44	156,299,365.47
Long-term prepaid expenses	V.14	5,870,407.45	8,430,156.18
Deferred income tax assets	V.15	69,029,494.98	55,286,224.84
Total non-current assets		5,357,494,658.72	4,761,837,038.03
Total assets		7,361,549,780.96	6,324,835,385.59

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# CONSOLIDATED BALANCE SHEET

31 December 2024 (continued)  
(Expressed in RMB)

	Notes	2024	2023
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Short-term borrowings	V.16	100,000,000.00	150,000,000.00
Notes payable	V.17	–	149,999,930.97
Accounts payable	V.18	1,131,408,083.90	786,663,444.29
Contract liabilities	V.19	507,537,527.07	405,318,701.64
Employee benefits payable	V.20	175,750,662.66	147,004,535.58
Taxes payable	V.21	85,709,350.06	72,095,886.54
Other payables	V.22	188,513,138.29	159,833,143.25
Non-current liabilities due within one year	V.23	37,049,226.65	36,122,122.20
<b>Total current liabilities</b>		<b>2,225,967,988.63</b>	1,907,037,764.47
<b>Non-current liabilities:</b>			
Long-term borrowings	V.24	557,440,000.00	323,500,000.00
Lease liabilities	V.25	3,989,638.55	3,558,682.06
Long-term payables	V.26	721,707,700.00	545,981,000.00
Deferred income	V.27	153,968,021.71	126,185,501.51
Deferred income tax liabilities	V.15	13,360,492.35	14,735,206.57
<b>Total non-current liabilities</b>		<b>1,450,465,852.61</b>	1,013,960,390.14
<b>Total liabilities</b>		<b>3,676,433,841.24</b>	2,920,998,154.61

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# CONSOLIDATED BALANCE SHEET

31 December 2024 (continued)  
(Expressed in RMB)

	Notes	2024	2023
<b>Shareholders' equity:</b>			
Share capital	V.28	1,074,357,700.00	1,074,357,700.00
Capital reserve	V.29	1,081,447,605.75	1,081,447,605.75
Specific reserve	V.30	11,931,626.98	12,963,709.80
Surplus reserve	V.31	198,047,046.87	163,408,762.58
Undistributed profit	V.32	1,248,836,243.23	1,023,116,059.00
<b>Total equity attributable to shareholders of the parent company</b>		<b>3,614,620,222.83</b>	3,355,293,837.13
<b>Non-controlling interests</b>		<b>70,495,716.89</b>	48,543,393.85
<b>Total shareholders' equity</b>		<b>3,685,115,939.72</b>	3,403,837,230.98
<b>Total liabilities and shareholders' equity</b>		<b>7,361,549,780.96</b>	6,324,835,385.59

These financial statements have been approved by the Board of Directors on 26 March 2025.

<b>He Jing</b>	<b>Li Bi</b>	(Company seal)
Legal representative	Person in charge of accounting of the Company and head of the accounting department	
(Signature and seal)	(Signature and seal)	

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.



# COMPANY BALANCE SHEET

31 December 2024  
(Expressed in RMB)

	Notes	2024	2023
<b>Assets</b>			
<b>Current assets:</b>			
Cash at bank and on hand		399,703,111.56	253,041,727.95
Accounts receivable	XV.1	29,894,940.50	26,316,114.70
Prepayments		445,035.34	485,746.05
Other receivables	XV.2	1,905,062,906.35	1,733,974,953.64
Inventories		73,152.00	73,152.00
<b>Total current assets</b>		<b>2,335,179,145.75</b>	2,013,891,694.34
<b>Non-current assets:</b>			
Long-term equity investments	XV.3	1,555,015,054.75	1,509,724,810.94
Fixed assets		28,774,240.53	30,486,277.59
Construction in progress		2,709,433.97	–
Intangible assets		165,393.02	294,891.29
<b>Total non-current assets</b>		<b>1,586,664,122.27</b>	1,540,505,979.82
<b>Total assets</b>		<b>3,921,843,268.02</b>	3,554,397,674.16

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# COMPANY BALANCE SHEET

31 December 2024 (continued)  
(Expressed in RMB)

	Notes	2024	2023
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Short-term borrowings		100,000,000.00	150,000,000.00
Notes payable		—	149,999,930.97
Employee benefits payable		35,776,509.62	24,709,280.31
Taxes payable		1,709,600.91	1,938,091.37
Other payables		870,706,084.42	749,815,640.32
Non-current liabilities due within one year		22,200,000.00	21,000,000.00
<b>Total current liabilities</b>		<b>1,030,392,194.95</b>	1,097,462,942.97
<b>Non-current liabilities:</b>			
Long-term borrowings		551,300,000.00	323,500,000.00
<b>Total non-current liabilities</b>		<b>551,300,000.00</b>	323,500,000.00
<b>Total liabilities</b>		<b>1,581,692,194.95</b>	1,420,962,942.97
<b>Shareholders' equity:</b>			
Share capital		1,074,357,700.00	1,074,357,700.00
Capital reserve		316,102,577.31	316,102,577.31
Surplus reserve		198,047,046.87	163,408,762.58
Undistributed profit		751,643,748.89	579,565,691.30
<b>Total shareholders' equity</b>		<b>2,340,151,073.07</b>	2,133,434,731.19
<b>Total liabilities and shareholders' equity</b>		<b>3,921,843,268.02</b>	3,554,397,674.16

These financial statements have been approved by the Board of Directors on 26 March 2025.

**He Jing**

Legal representative

(Signature and seal)

**Li Bi**

Person in charge of accounting of the  
Company and head of the accounting  
department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# CONSOLIDATED INCOME STATEMENT

2024

(Expressed in RMB)

	Notes	2024	2023
<b>I. Operating revenue</b>	V.33	<b>4,775,571,527.88</b>	4,160,192,577.95
Less: Operating costs	V.33	<b>3,978,882,555.40</b>	3,484,310,248.78
Taxes and surcharges	V.34	<b>21,466,210.28</b>	17,513,057.46
Administrative expenses	V.35	<b>278,840,646.35</b>	235,814,901.82
Finance costs	V.36	<b>15,329,400.83</b>	13,309,483.67
Including: Interest expenses		<b>16,406,800.27</b>	15,273,924.55
Interest income		<b>3,892,162.87</b>	5,104,366.37
Add: Other income	V.37	<b>3,292,811.28</b>	2,541,769.80
Investment (loss)/income	V.38	<b>(4,817,622.92)</b>	4,628,076.16
Including: (Loss)/income from investment in associates and joint ventures		<b>(5,444,082.67)</b>	4,628,076.16
Gains on fair value changes	V.39	<b>–</b>	1,136,000.00
Credit impairment losses	V.40	<b>(16,773,076.78)</b>	(20,054,730.96)
Asset impairment losses	V.41	<b>(1,934,151.07)</b>	(9,768,078.76)
(Loss)/gains on asset disposal	V.42	<b>(95,040.17)</b>	15,489,027.27
<b>II. Operating profit</b>		<b>460,725,635.36</b>	403,216,949.73
Add: Non-operating income	V.43	<b>11,116,067.84</b>	12,850,270.44
Less: Non-operating expenses	V.43	<b>5,091,607.76</b>	6,876,885.47
<b>III. Profit before income tax</b>		<b>466,750,095.44</b>	409,190,334.70
Less: Income tax expenses	V.44	<b>65,501,879.11</b>	67,190,179.11
<b>IV. Net profit</b>		<b>401,248,216.33</b>	342,000,155.59
(i) Net profit classified by continuity of operations:			
1. Net profit from continuing operations		<b>401,248,216.33</b>	342,000,155.59
2. Net profit from discontinued operations		<b>–</b>	–
(ii) Net profit classified by ownership:			
1. Net profit attributable to shareholders of the parent company		<b>400,024,969.52</b>	338,999,671.13
2. Net profit attributable to non-controlling interests		<b>1,223,246.81</b>	3,000,484.46

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# CONSOLIDATED INCOME STATEMENT

2024 (continued)  
(Expressed in RMB)

	Notes	2024	2023
<b>V. Other comprehensive income, after tax</b>		—	—
<b>VI. Total comprehensive income</b>		<b>401,248,216.33</b>	342,000,155.59
(i) Total comprehensive income attributable to shareholders of the parent company		<b>400,024,969.52</b>	338,999,671.13
(ii) Total comprehensive income attributable to non-controlling interests		<b>1,223,246.81</b>	3,000,484.46
<b>VII. Earnings per share:</b>			
(i) Basic earnings per share	V.45	<b>0.37</b>	0.32
(ii) Diluted earnings per share	V.45	<b>0.37</b>	0.32

These financial statements have been approved by the Board of Directors on 26 March 2025.

**He Jing**  
Legal representative

(Signature and seal)

**Li Bi**  
Person in charge of accounting of the Company and head of the accounting department  
(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.



# COMPANY INCOME STATEMENT

2024

(Expressed in RMB)

	Notes	2024	2023
<b>I. Operating revenue</b>	XV.4	<b>45,487,787.31</b>	41,276,450.82
Less: Operating costs	XV.4	<b>5,462,181.45</b>	5,017,576.21
Taxes and surcharges		<b>791,882.53</b>	788,057.03
Administrative expenses		<b>62,532,923.33</b>	48,737,049.88
Finance costs		<b>(9,602,654.60)</b>	(3,771,304.12)
Including: Interest expenses		<b>24,360,072.38</b>	19,320,339.67
Interest income		<b>34,813,933.06</b>	24,627,143.67
Add: Other income		<b>189,204.17</b>	118,619.84
Investment income	XV.5	<b>359,905,588.89</b>	313,377,816.91
Including: (Loss)/income from investment in associates and joint ventures		<b>(3,209,045.55)</b>	6,446,845.29
Gains on fair value changes		<b>—</b>	1,136,000.00
<b>II. Operating profit</b>		<b>346,398,247.66</b>	305,137,508.57
Add: Non-operating income		<b>1,393.00</b>	—
Less: Non-operating expenses		<b>16,797.78</b>	—
<b>III. Profit before income tax</b>		<b>346,382,842.88</b>	305,137,508.57
Less: Income tax expenses		<b>—</b>	—
<b>IV. Net profit</b>		<b>346,382,842.88</b>	305,137,508.57
(i) Net profit from continuing operations		<b>346,382,842.88</b>	305,137,508.57
(ii) Net profit from discontinued operations		<b>—</b>	—

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# COMPANY INCOME STATEMENT

2024 (continued)  
(Expressed in RMB)

	Notes	2024	2023
V. Other comprehensive income, after tax		-	-
VI. Total comprehensive income		346,382,842.88	305,137,508.57

These financial statements have been approved by the Board of Directors on 26 March 2025.

He Jing

Legal representative

(Signature and seal)

Li Bi

Person in charge of accounting of the  
Company and head of the accounting  
department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

2024

(Expressed in RMB)

	Note	2024	2023
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from sales of goods or rendering of services		5,256,930,199.20	4,528,587,497.05
Cash received relating to other operating activities		40,790,935.66	4,990,812.44
Subtotal of cash inflows from operating activities		5,297,721,134.86	4,533,578,309.49
Cash paid for goods and services		3,956,152,064.34	3,219,259,773.74
Cash paid to and on behalf of employees		508,847,317.82	459,768,977.56
Cash paid for all types of taxes		202,715,163.18	198,474,150.55
Cash paid relating to other operating activities		27,112,819.47	33,777,765.23
Subtotal of cash outflows from operating activities		4,694,827,364.81	3,911,280,667.08
Net cash flows from operating activities	V.47	602,893,770.05	622,297,642.41
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash received from disposal of investments		75,000,000.00	—
Cash received from return on investments		1,965,676.39	5,104,366.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,123,161.90	25,771,713.25
Cash received relating to other investing activities		1,061,494.00	1,000,000.00
Subtotal of cash inflows from investing activities		79,150,332.29	31,876,079.62
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		763,257,422.78	1,111,256,131.45
Cash paid for acquisition of investments		75,000,000.00	115,200,000.00
Subtotal of cash outflows from investing activities		838,257,422.78	1,226,456,131.45
Net cash flows from investing activities		(759,107,090.49)	(1,194,580,051.83)

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

2024 (continued)  
(Expressed in RMB)

	Note	2024	2023
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Cash received from absorption of investments		20,700,000.00	8,100,000.00
Including: Cash received from absorption of investments from non-controlling interests by subsidiaries		20,700,000.00	8,100,000.00
Cash received from borrowings		357,250,000.00	500,000,000.00
Cash received relating to other financing activities		175,726,700.00	252,006,412.91
Subtotal of cash inflows from financing activities		553,676,700.00	760,106,412.91
Cash paid for debt repayment		171,988,300.00	305,500,000.00
Cash paid for distribution of dividends or profits and for interest expenses		156,861,923.56	146,657,650.95
Including: Cash paid to non-controlling interests for distribution of dividends or profits by subsidiaries		—	416,000.00
Cash paid relating to other financing activities		4,252,888.67	3,417,809.72
Subtotal of cash outflows from financing activities		333,103,112.23	455,575,460.67
Net cash flows from financing activities		220,573,587.77	304,530,952.24

The notes to the financial statements on pages 104 to 220 form part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

2024 (continued)  
(Expressed in RMB)

	Notes	2024	2023
<b>IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>		<b>(723,507.50)</b>	103,159.99
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS ("()")FOR NET DECREASE)</b>	V.47	<b>63,636,759.83</b>	(267,648,297.19)
Add: Balance of cash and cash equivalents at the beginning of the year		<b>490,239,048.63</b>	757,887,345.82
<b>VI. BALANCE OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	V.47	<b>553,875,808.46</b>	490,239,048.63

These financial statements have been approved by the Board of Directors on 26 March 2025.

**He Jing**  
Legal representative

(Signature and seal)

**Li Bi**  
Person in charge of accounting of the Company and head of the accounting department  
(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# COMPANY STATEMENT OF CASH FLOWS

2024

(Expressed in RMB)

	2024	2023
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from sales of goods or rendering of services	47,051,819.95	43,828,364.02
Cash received relating to other operating activities	7,087,770.46	4,955,583.27
Subtotal of cash inflows from operating activities	54,139,590.41	48,783,947.29
Cash paid to and on behalf of employees	44,246,708.59	40,736,002.56
Cash paid for all types of taxes	5,359,772.58	4,133,303.59
Cash paid relating to other operating activities	10,949,091.44	15,302,967.56
Subtotal of cash outflows from operating activities	60,555,572.61	60,172,273.71
Net cash flows from operating activities	(6,415,982.20)	(11,388,326.42)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash received from disposal of investments	75,000,000.00	—
Cash received from return on investments	471,958,714.92	212,250,247.90
Subtotal of cash inflows from investing activities	546,958,714.92	212,250,247.90
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	2,741,633.97	340,432.11
Cash paid for acquisition of investments	123,499,289.36	141,400,000.00
Cash paid relating to other investing activities	289,817,133.55	335,438,518.51
Subtotal of cash outflows from investing activities	416,058,056.88	477,178,950.62
Net cash flows from investing activities	130,900,658.04	(264,928,702.72)

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# COMPANY STATEMENT OF CASH FLOWS

2024 (continued)  
(Expressed in RMB)

	2024	2023
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash received from borrowings	350,000,000.00	500,000,000.00
Subtotal of cash inflows from financing activities	350,000,000.00	500,000,000.00
Cash paid for debt repayment	171,000,000.00	305,500,000.00
Cash paid for distribution of dividends and for interest expenses	156,099,859.73	140,857,247.69
Subtotal of cash outflows from financing activities	327,099,859.73	446,357,247.69
Net cash flows from financing activities	22,900,140.27	53,642,752.31
<b>IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>	(723,432.50)	103,159.99
<b>V. NET INCREASE IN CASH AND CASH EQUIVALENTS ("()FOR NET DECREASE)</b>	146,661,383.61	(222,571,116.84)
Add: Balance of cash and cash equivalents at the beginning of the year	253,041,727.95	475,612,844.79
<b>VI. BALANCE OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	399,703,111.56	253,041,727.95

These financial statements have been approved by the Board of Directors on 26 March 2025.

**He Jing**  
Legal representative

(Signature and seal)

**Li Bi**  
Person in charge of accounting of the  
Company and head of the accounting  
department  
(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2024

(Expressed in RMB)

	Note	Attributable to shareholders of the parent company						Non-controlling interests	Total shareholders' equity
		Share capital	Capital reserve	Specific reserve	Surplus reserve	Undistributed profit	Subtotal		
I. Balance at the beginning of the year		1,074,357,700.00	1,081,447,605.75	12,963,709.80	163,408,762.58	1,023,116,059.00	3,355,293,837.13	48,543,393.85	3,403,837,230.98
II. Movements during the year ("I" for decrease)									
(i) Total comprehensive income		-	-	-	-	400,024,969.52	400,024,969.52	1,223,246.81	401,248,216.33
(ii) Capital contributed by owners		-	-	-	-	-	-	20,700,000.00	20,700,000.00
(iii) Profit distribution	V.32								
1. Appropriation for surplus reserve		-	-	-	34,638,284.29	(34,638,284.29)	-	-	-
2. Distribution to shareholders		-	-	-	-	(139,666,501.00)	(139,666,501.00)	-	(139,666,501.00)
(iv) Specific reserve									
1. Appropriated during the year		-	-	31,777,579.77	-	-	31,777,579.77	73,095.54	31,850,675.31
2. Used during the year		-	-	(32,809,662.59)	-	-	(32,809,662.59)	(44,019.31)	(32,853,681.90)
III. Balance at the end of the year		1,074,357,700.00	1,081,447,605.75	11,931,626.98	198,047,046.87	1,248,836,243.23	3,614,620,222.83	70,495,716.89	3,685,115,939.72

These financial statements have been approved by the Board of Directors on 26 March 2025.

**He Jing**

Legal representative

(Signature and seal)

**Li Bi**

Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2023

(Expressed in RMB)

	Note	Attributable to shareholders of the parent company						Non-controlling interests	Total shareholders' equity
		Share capital	Capital reserve	Specific reserve	Surplus reserve	Undistributed profit	Subtotal		
<b>I. Balance at the beginning of the year</b>		1,074,357,700.00	1,081,447,605.75	15,112,314.76	132,895,011.72	843,553,062.73	3,147,365,694.96	37,852,554.22	3,185,218,249.18
<b>II. Movements during the year ("I" for decrease)</b>									
(i) Total comprehensive income		-	-	-	-	338,999,671.13	338,999,671.13	3,000,484.46	342,000,155.59
(ii) Capital contributed by owners		-	-	-	-	-	-	8,100,000.00	8,100,000.00
(iii) Profit distribution	V.32								
1. Appropriation for surplus reserve		-	-	-	30,513,750.86	(30,513,750.86)	-	-	-
2. Distribution to shareholders		-	-	-	-	(128,922,924.00)	(128,922,924.00)	(416,000.00)	(129,338,924.00)
(iv) Specific reserve									
1. Appropriated during the year		-	-	30,664,472.48	-	-	30,664,472.48	120,120.67	30,784,593.15
2. Used during the year		-	-	(32,813,077.44)	-	-	(32,813,077.44)	(113,765.50)	(32,926,842.94)
<b>III. Balance at the end of the year</b>		1,074,357,700.00	1,081,447,605.75	12,963,709.80	163,408,762.58	1,023,116,059.00	3,355,293,837.13	48,543,393.85	3,403,837,230.98

These financial statements have been approved by the Board of Directors on 26 March 2025.

**He Jing**

Legal representative

(Signature and seal)

**Li Bi**

Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2024

(Expressed in RMB)

	Share capital	Capital reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
<b>I. Balance at the beginning of the year</b>	<b>1,074,357,700.00</b>	<b>316,102,577.31</b>	<b>163,408,762.58</b>	<b>579,565,691.30</b>	<b>2,133,434,731.19</b>
<b>II. Movements during the year</b>					
(i) Total comprehensive income	-	-	-	346,382,842.88	346,382,842.88
(ii) Profit distribution					
1. Appropriation for surplus reserve	-	-	34,638,284.29	(34,638,284.29)	-
2. Distribution to shareholders	-	-	-	(139,666,501.00)	(139,666,501.00)
<b>III. Balance at the end of the year</b>	<b>1,074,357,700.00</b>	<b>316,102,577.31</b>	<b>198,047,046.87</b>	<b>751,643,748.89</b>	<b>2,340,151,073.07</b>

These financial statements have been approved by the Board of Directors on 26 March 2025.

**He Jing**

Legal representative

(Signature and seal)

**Li Bi**

Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

2023

(Expressed in RMB)

	Share capital	Capital reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
<b>I. Balance at the beginning of the year</b>	1,074,357,700.00	316,102,577.31	132,895,011.72	433,864,857.59	1,957,220,146.62
<b>II. Movements during the year</b>					
(i) Total comprehensive income	-	-	-	305,137,508.57	305,137,508.57
(ii) Profit distribution					
1. Appropriation for surplus reserve	-	-	30,513,750.86	(30,513,750.86)	-
2. Distribution to shareholders	-	-	-	(128,922,924.00)	(128,922,924.00)
<b>III. Balance at the end of the year</b>	1,074,357,700.00	316,102,577.31	163,408,762.58	579,565,691.30	2,133,434,731.19

These financial statements have been approved by the Board of Directors on 26 March 2025.

**He Jing**

Legal representative

(Signature and seal)

**Li Bi**

Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 104 to 220 form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## I. BASIC INFORMATION OF THE COMPANY

Sichuan Energy Investment Development Co., Ltd. (the “Company”) is a joint stock limited liability company established in Chengdu, Sichuan Province and headquartered in Wenjiang District, Chengdu, Sichuan Province. The Company’s legal representative is He Jing, its parent company is Sichuan Province Hydropower Investment and Management Group Co., Ltd., and the ultimate controlling company is Sichuan Development (Holding) Co., Ltd.

The Company and its subsidiaries (collectively, the “Group”) operate in the electric power industry with main business scope including development, construction and operation management of power projects; development, construction and operation management of power distribution network and power plants; production and sale of power products; new energy technology research, development and advisory services; installation, commissioning and repair of power facilities and inspection of electrical equipment, sale of material (excluding commodities subject to state-run trade management, and for commodities subject to quota and permit management, application shall be made in accordance with relevant national regulations; projects subject to approval as required by the law shall be carried out after approval by relevant authorities). For information on the subsidiaries of the Company, please refer to Note VII.

## II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Company prepares its financial statements on a going concern basis.

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group’s accounting policies for the recognition and measurement of provision for bad and doubtful debts for receivables, depreciation of fixed assets, amortization of intangible assets, and recognition and measurement of revenue are formulated according to the specific characteristics of the Group’s operations. For specific policies, please refer to relevant notes.

### 1. Statement of compliance with accounting standards for business enterprises

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”) issued by the MOF. These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2024, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

In addition, certain notes in these financial statements have been prepared in accordance with disclosure requirements of the Companies Ordinance of Hong Kong, which also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 2. Accounting period

The accounting year begins on 1 January and ends on 31 December of a calendar year.

### 3. Operating cycle

The Company takes the period from the acquisition of assets for processing to their realization in cash or cash equivalents as a normal operating cycle. The operating cycle of the Company’s electricity sales business is usually shorter than 12 months, and is usually 1 month to 24 months for the electricity installation engineering business.

### 4. Functional currency

The Company’s functional currency is Renminbi and these financial statements are presented in Renminbi. Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.



## NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in RMB unless otherwise indicated)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 5. The accounting treatment of business combinations involving enterprises under common control and business combinations involving enterprises not under common control

A transaction constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets). Business combination is classified as either business combinations involving enterprises under common control or business combinations involving enterprises not under common control.

For a transaction involving enterprises not under common control, the acquirer determines whether acquired set of assets constitute a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is not a business. If the concentration test is met, the set of assets is determined not to be a business. If the concentration test is not met, the Group shall perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable assets and liabilities at their acquisition date fair values. It is not required to apply the accounting of business combination described as below.

##### ***(1) Business combinations involving enterprises under common control***

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded in the financial statements of the ultimate controlling party at the combination date. The difference between shares of the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total par value of shares issued) is adjusted to share premium in the capital reserve. If the balance of share premium is insufficient, the surplus reserve and undistributed profits are offset in the same order. Any costs directly attributable to the combination are recognized in profit or loss for the current period when occurred. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 5. The accounting treatment of business combinations involving enterprises under common control and business combinations involving enterprises not under common control (continued)

#### (2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where 1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds 2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, after taking into account the related deferred income tax effects, the difference is recognized as goodwill (see Note III.16). Where 1) is less than 2), the difference is recognized in profit or loss for the current period. The costs of the issuance of equity or debt securities as a part of the consideration paid for the acquisition are included as a part of initial recognition amount of the equity or debt securities. Other acquisition-related costs arising from the business combination are recognized as expenses in the periods in which the costs are incurred. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognized in profit or loss. The acquiree's identifiable assets, liabilities and contingent liabilities, if satisfying the recognition criteria, are recognized by the Group at their fair value at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

### 6. Preparation of consolidated financial statements

#### (1) General principles

The scope of consolidated financial statements is based on control and comprises the Company and its subsidiaries. Control exists when the Group has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealized profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are recognized in full if there is evidence that the losses are the relevant asset impairment losses.

#### (2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 6. Preparation of consolidated financial statements (continued)

##### **(3) Disposal of subsidiaries**

When the Group loses control of a subsidiary, any resulting disposal gains or losses are recognized as investment income for the current period. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any resulting gains or losses are also recognized as investment income for the current period.

##### **(4) Changes in non-controlling interests**

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders, the difference between the investment cost and the newly acquires interest into the subsidiary's identifiable net assets is adjusted to the capital reserve (capital surplus) in the consolidated balance sheet. Where the Company partially dispose an investment of a subsidiary that do not result in a loss of control, the difference between the proceeds and the corresponding share of the interest into the subsidiary is adjusted to the capital reserve (capital surplus) in the consolidated balance sheet. If the credit balance of capital reserve (capital surplus) is insufficient, the surplus reserve and undistributed profits are offset in the same order.

#### 7. Recognition criteria for cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdraw on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

#### 8. Foreign currency transactions and translation of financial statements denominated in foreign currencies

Foreign currency transactions of the Group are, on initial recognition, translated to Renminbi at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognized in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction or production of qualifying assets (see Note III.14). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments

Financial instruments of the Group include cash at bank and on hand, equity investment except for long-term equity investments (see Note III.11), receivables, payables, loans and borrowings and share capital, etc.

#### (1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset and financial liability is measured at fair value on initial recognition. For financial assets or financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets or financial liabilities, any related directly attributable transaction costs are included in their initial costs. An accounts receivable, without a significant financing component or practical expedient applied for one year or less contracts, is initially measured at the transaction price determined according to the accounting policies in Note III.21.

#### (2) Classification and subsequent measurement of financial assets

##### (a) Classification of financial assets of the Group

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), and at fair value through profit or loss ("FVPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group classifies financial assets not designated as at FVPL that meet both of the following conditions into financial assets at amortized cost:

- The purpose of the Group's business model for managing the financial assets is to receive contractual cash flows;
- The contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding.



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (continued)

#### (2) Classification and subsequent measurement of financial assets (continued)

##### (a) Classification of financial assets of the Group (continued)

The Group classifies financial assets not designated as FVPL that meet the following conditions as financial assets at FVOCI:

- The purpose of the Group's business model for managing the financial assets is to receive contractual cash flows and to sell the financial assets;
- The contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding.

For investments in equity instruments not held for trading, the Group may irrevocably designate them as financial assets at FVOCI at initial recognition. The designation is made on an individual basis and the investment is in line with the definition of the equity instrument from the issuer's perspective.

Except for the above-mentioned financial assets measured at amortized cost and at FVOCI, the Group classifies all other financial assets into financial assets at FVPL.

The business model for managing financial assets refers to how the Group manages financial assets to generate cash flows. The business model determines whether the source of cash flows for financial assets managed by the Group is contractual cash flows, the sale of financial assets or both. The Group determines the business model for managing financial assets based on objective facts and specific business objectives for the management of financial assets as determined by key management personnel.

The Group assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specific dates are solely for payment of the principal and the interest based on the amount of principal outstanding. Of which, the principal is the fair value of the financial assets at initial recognition; the interest includes the time value of money, the credit risk associated with the outstanding principal amount for a specific period, and the consideration of other basic borrowing risks, costs and profits. In addition, the Group assesses the contractual terms that may result in a change in the time distribution or amount of contractual cash flows generated by the financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (continued)

#### (2) Classification and subsequent measurement of financial assets (continued)

##### (b) Subsequent measurement of financial assets of the Group

###### – Financial assets at FVPL

Subsequent to initial recognition, such financial assets are measured at fair value, and the resulting gains or losses (including interest and dividend income) are included in profit or loss, unless the financial asset is a component of hedges.

###### – Financial assets measured at amortized cost

Subsequent to initial recognition, such financial assets are measured at amortized cost using the effective interest method. Gains or losses arising from financial assets that are measured at amortized cost and are not a component of any hedges are recognized in profit or loss at the time of derecognition, amortization using the effective interest method or recognition of impairment.

###### – Debt investments at FVOCI

Subsequent to initial recognition, such financial assets are measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and exchange gains or losses are recognized in profit or loss, and other gains or losses are included in other comprehensive income. At the time of derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred to profit or loss.

###### – Investments in equity instruments at FVOCI

Subsequent to initial recognition, such financial assets are measured at fair value. Dividend income is recognized in profit or loss, and other gains or losses are recognized in other comprehensive income. At the time of derecognition, the cumulative gains or losses previously included in other comprehensive income are transferred to retained earnings.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (continued)

##### (3) Classification and subsequent measurement of financial liabilities

The Group classifies financial liabilities into financial liabilities at FVPL and financial liabilities measured at amortised cost.

- Financial liabilities at FVPL

Such financial liabilities include financial liabilities held for trading (including derivatives which fall under financial liabilities) and financial liabilities designated as at FVPL.

Subsequent to initial recognition, financial liabilities at FVPL are subsequently measured at fair value and gains and losses are recognized in profit or loss, unless the financial liabilities are part of a hedging relationship.

- Financial liabilities measured at amortized cost

Subsequent to initial recognition, such financial liabilities are measured at amortised cost using the effective interest method.

##### (4) Offsetting

Financial assets and financial liabilities are presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset, and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognized amounts;
- the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

##### (5) Derecognition of financial assets and financial liabilities

A financial asset is derecognized when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset;
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (continued)

#### (5) Derecognition of financial assets and financial liabilities (continued)

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

- the carrying amount of the financial asset transferred at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognized directly in other comprehensive income for the part derecognized.

The Group derecognizes a financial liability (or part of it) when its contractual obligation (or part of it) is extinguished.

#### (6) Impairment

Based on the expected credit loss, the Group conducts impairment accounting for the following items and recognizes loss allowance:

- Financial assets measured at amortised cost;
- Contract assets;

##### Measurement of expected credit losses

Expected credit loss is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between all contractual cash flows discounted as per the original effective interest rate and receivable from the contract and all cash flows expected to be received by the Group).

The maximum period considered when estimating expected credit losses is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime expected credit losses are the expected credit losses of a financial instrument that result from all possible default events over the expected life.

12-month expected credit losses are the portion of expected credit losses of a financial instrument that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the financial instrument is less than 12 months).



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (continued)

##### (6) Impairment (continued)

###### Measurement of expected credit losses (continued)

For notes receivable, accounts receivable and contract assets arising from daily business activities such as sales of goods and provision of services loss allowances for accounts receivable and contract assets are always measured at an amount equal to lifetime expected credit loss. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for notes receivable, accounts receivable and contract assets, the Group measures loss allowance at an amount equal to 12-month expected credit loss for the following financial instruments, and at an amount equal to lifetime expected credit loss for all other financial instruments:

- If the financial instrument is determined to have low credit risk at the balance sheet date; or
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

###### Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

###### Significant increases in credit risk

The Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 9. Financial instruments (continued)

#### (6) Impairment (continued)

Significant increases in credit risk (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor;
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Generally, the Group assumes that the credit risk on a financial asset has increased significantly since the date of past due. Unless the Group is able to obtain reasonable and well-founded information at no cost or effort to demonstrate that credit risk has not increased significantly since the initial recognition, although it exceeded the payment term agreed upon in the contract for 30 days.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets measured at amortized cost and debt investments at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties of the issuer or the debtor.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 9. Financial instruments (continued)

##### (6) Impairment (continued)

Presentation of provision for expected credit losses

Expected credit losses are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the expected credit loss amount is recognized as an impairment gain or loss in profit or loss. For financial assets measured at amortized cost, provision is offset against their carrying amounts in the balance sheet. The Group recognizes provision for debt investments at FVOCI in other comprehensive income and does not deduct the carrying amount of the financial assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes derecognition of the relevant financial asset. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of a financial asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

##### (7) Equity instrument

Equity instruments issued by the Company are recorded in shareholders' equity at the actual issue price, and the related transaction costs are deducted from shareholders' equity (capital reserve). If capital reserve is not sufficient for the purpose of deducting the transaction costs, the transaction costs are deducted from shareholders' equity by subtracting surplus reserve and retained earnings in the same order of magnitude. Consideration paid and transaction costs incurred for the repurchase of the Company's equity instruments are recognized as a reduction of shareholders' equity.

When the Company repurchases its own shares, those shares are treated as treasury shares. All expenditure relating to the repurchase is recorded in the cost of the treasury shares, with the transaction recording in the share register. Treasury shares are excluded from profit distributions and are presented as a deduction under shareholders' equity in the balance sheet.

When treasury shares are cancelled, the share capital should be reduced to the extent of the total par value of the treasury shares cancelled. Where the cost of the treasury shares cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to the capital reserve (share premium).

When treasury shares are disposed of, any excess of proceeds above cost is recognized in capital reserve (share premium); otherwise, the shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 10. Inventories

#### (1) *Classification of inventories*

Inventories include raw materials and reusable materials. Reusable materials include low-value consumables, packaging materials and other materials, which can be used repeatedly but do not meet the definition of fixed assets.

#### (2) *Calculation method of inventories transferred out*

Cost of inventories transferred out is calculated using the weighted average method.

#### (3) *Inventory system*

The Group maintains a perpetual inventory system.

#### (4) *Amortization of low-value consumables and packaging materials*

Consumables including low-value consumables and packaging materials are amortized in full when received for use. The amortizations are included in the cost of the related assets or recognized in profit or loss for the current period.

#### (5) *Basis for determination and provisioning methods for impairment losses of inventories*

At the balance sheet date, inventories are measured at the lower of cost or net realizable value. Any excess of the cost of an individual inventory item over its net realizable value is recognized as a provision for impairment losses of inventories in profit or loss.

The net realizable value of materials held for use in the production is measured based on the net realizable value of the finished goods in which they will be incorporated. The net realizable value of the inventory held to satisfy sales or service contracts is measured based on the contract price to the extent of the quantities specified in sales contracts, and the net realizable value of the excess portion of inventories is measured based on general selling prices.



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 11. Long-term equity investments

##### **(1) Cost of long-term equity investments**

- (a) Long-term equity investments acquired through a business combination
  - The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, the surplus reserve and retained earnings are reduced in the same order.
  - For a long-term equity investment obtained through a business combination involving enterprises not under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.
- (b) Long-term equity investments acquired other than through a business combination
  - A long-term equity investment acquired other than through a business combination is initially recognized at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

##### **(2) Subsequent measurement and recognition in profit or loss of long-term equity investments**

- (a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement. The Company recognizes its share of the cash dividends or profit distributions declared by the investee as investment income in the current period.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 11. Long-term equity investments (continued)

#### (2) *Subsequent measurement and recognition in profit or loss of long-term equity investments (continued)*

##### (b) Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.11(3)) and rights to the net assets of the arrangement. An associate is an enterprise over which the Group has significant influence (see Note III.11(3)).

Long-term equity investments in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale (see Note III.28).

After the acquisition of the investment in a joint venture or an associate, the Group recognizes its share of the investee's profit or loss and other comprehensive income, as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the long-term equity investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognized directly in the Group's equity, and the carrying amount of the long-term equity investment is adjusted accordingly.

Unrealized profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures under the equity method. Unrealized losses resulting from transactions between the Group and its associates or joint ventures are recognized in full if there is evidence that the losses are the relevant asset impairment losses.

The Group discontinues recognizing its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 11. Long-term equity investments (continued)

##### **(3) Criteria for determining the exercise of joint control or significant influence over an investee**

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally;
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

#### 12. Fixed assets

##### **(1) Recognition criteria for fixed assets**

The initial cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The initial cost of self-constructed assets is measured in accordance with the policy set out in Note III.13.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern thus necessitating use of different depreciation rates or methods, each part is recognized as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognized as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 12. Fixed assets (continued)

##### (2) Depreciation of fixed assets

The cost of fixed asset, less its estimated residual value and accumulated provision for impairment, is depreciated using the straight-line method over its useful life, unless the fixed asset is classified as held for sale (see Note III.28).

The useful lives, residual value rates and annual depreciation rates of each class of fixed assets are as follows:

Category	Useful life (years)	Residual value rate (%)	Annual depreciation
Plant and buildings	20 ~ 50 years	5%	1.90% ~ 4.75%
Machinery and equipment	10 ~ 30 years	5%	3.17% ~ 9.50%
Office and other equipment	5 ~ 10 years	5%	9.50% ~ 19.00%
Motor vehicles	5 ~ 10 years	5%	9.50% ~ 19.00%

Useful lives, estimated residual value and depreciation methods are reviewed at least at each year-end.

#### 13. Construction in progress

The cost of self-constructed fixed assets includes the cost of materials, direct labor, capitalized borrowing costs (see Note III.14), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed fixed asset is included in construction in progress before it is transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress.



## NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in RMB unless otherwise indicated)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 14. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as financial expenses when incurred.

During the capitalization period, the amount of interest (including amortization of any discount or premium on borrowing) to be capitalized in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalized is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognized amount of the borrowings.

During the capitalization period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalized as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognized as a financial expense in profit or loss when incurred. °

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 15. Intangible assets

For an intangible asset with finite useful life, its cost less estimated residual value and accumulated provision for impairment is amortized using the straight-line method over its estimated useful life, unless the intangible assets is classified as held for sale (see Note III.28).

The useful life of each intangible asset and its determination basis and amortization method are as follows:

Item	useful life (years)	Determination basis	Amortization methods
Land use right	50 years	land use life	straight-line method
Software	5~10 years	term of authorization	straight-line method

For an intangible asset with a finite useful life, the Group reviews the useful life and the amortization method at least at each year-end.

An intangible asset is regarded as having an indefinite useful life and is not amortized when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. As at the balance sheet date, the Group does not have any intangible assets with indefinite useful lives.

### 16. Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under the business combination involving enterprises not under common control.

Goodwill is not amortized and is stated in the balance sheet at cost less accumulated provision for impairment (see Note III.18).

### 17. Long-term prepaid expenses

The Group recognizes all expenses incurred and with a benefit period of more than one year as long-term prepaid expenses.

Long-term prepaid expenses are amortized using the straight-line method within the benefit period. The respective amortization periods for such expenses are as follows:

Item	Amortization period
Leasehold improvements	3 ~ 5 years

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 18. Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment:

- Fixed assets
- Construction in progress
- Right-of-use assets
- Intangible assets
- Long-term equity investments
- goodwill
- Long-term prepaid expenses, etc.

The Group conducts impairment tests on assets with signs of impairment and estimates the recoverable amount of the assets. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually, irrespective of whether there is any indication of impairment, and estimates the recoverable amounts of goodwill at least annually at each year-end. The carrying amount of goodwill is allocated to each asset group or set of asset groups, which is expected to benefit from the synergies of the combination for the purpose of impairment testing.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note III.19) less costs to sell and its present value of expected future cash flows.

An asset group is composed of assets directly related to cash-generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

If the estimation results of the recoverable amount indicate that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is written down to the recoverable amount, and an impairment loss is recognized in profit or loss. A provision for impairment of the asset is recognized accordingly. Impairment losses related to an asset group or a set of asset groups, are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 19. Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

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.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

### 20. Provisions

A provision is recognized for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. If there is a continuous range of required expenditure and the probability of various results within the range is the same, the best estimate shall be determined according to the middle value within the range. In other cases, the best estimates are treated as follows:

- If the contingency involves a single item, it shall be determined according to the most likely amount.
- If the contingency involves multiple items, it shall be determined according to various possible results and relevant probability calculation.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 21. Revenue

Revenue is the gross inflow of economic benefit arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

Revenue is recognized when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Performance obligations are contractual commitments of the Group to transfer the distinct goods to customers. Goods committed to customers by the Group are clearly distinct if they meet the following conditions: firstly, customers can benefit from the goods themselves or from the use of the goods in conjunction with other readily available resources; Secondly, the Group's commitment to transfer the goods to the customer can be distinguished from other commitments in the contract.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognizes as revenue the amount of the transaction price that is allocated to each performance obligation. The stand-alone selling price is the price at which the Group would sell a promised good or render service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximize the use of observable inputs to estimate the stand-alone selling price.

For the contract with a warranty, the Group analyses the nature of the warranty provided, if the warranty provides the customer with a distinct service in addition to the assurance that the product complies with agreed-upon specifications, the Group recognizes for the promised warranty as a performance obligation. Otherwise, the Group accounts for the warranty in accordance with the requirements of the Accounting Standards for Business Enterprises No.13 – Contingencies.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognizes the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where the contract contains a significant financing component, the Group recognizes the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortized using an effective interest method over the contract term. The Group does not adjust the consideration for any effects of a significant financing component if it expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance;
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 21. Revenue (continued)

For performance obligation satisfied over time, the Group recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation. Taking into account the nature of the goods, the Group adopts the output method or the input method to determine the appropriate progress of performance. Among them, the output method determines the progress of performance based on the value of the goods transferred to the customer. The input method determines the progress of performance based on the Group's input to meet performance obligations. For similar performance obligations under similar circumstances, the Group adopts the same method to determine the progress of performance. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognizes revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligation satisfied at a point in time, the Group recognizes revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- the Group has a present right to payment for the goods or services;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and
- the customer has accepted the goods or services.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on factors other than the passage of time. The Group recognizes loss allowances for expected credit loss on contract assets (see Note III.9(6)). Receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is 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.

The following is the details of the accounting policies regarding revenue from the Group's principal activities:

#### (1) Sales of electricity

The Group recognizes revenue when electricity is transmitted to end users or state-owned or local grid companies. When electricity is transmitted to an end user or a state-owned or local grid company, the Group obtains an unconditional right to receive payments relating to the revenue from sales of electricity and recognizes the receivables. The Group recognizes contract liabilities for amounts received in advance from customers and recognizes the performance as revenue when electricity is transmitted to end users or state-owned or local grid companies.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 21. Revenue (continued)

##### (2) Sales of materials

The Group recognizes revenue when a customer accepts goods and obtains control of goods.

##### (3) Electricity installation engineering

The Group recognizes revenue in the process of fulfilling contracts with customers for electricity installation engineering in accordance with the progress of the performance of contracts. When the outcome of a contract can be reliably determined, the Group recognizes revenue over a period of time in accordance with the progress of performance. When the outcome of a contract cannot be reliably determined, the Group recognizes as revenue only those contract costs that it expects to recover.

#### 22. Contract costs

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract that it would not have incurred if the contract had not been obtained, e.g. a sales commission. The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Assets recognized for the incremental costs of obtaining a contract and assets recognized for the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognized in profit or loss for the current period. If the amortization period of an asset recognized at contract acquisition cost does not exceed one year, the Group elects to recognize it in profit or loss as incurred.

The Group recognizes an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates;
- the costs to be incurred for the transfer of the related goods or services.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 23. Employee benefits

#### (1) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

#### (2) Post-employment benefits-defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group participated in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organizations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable are recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

#### (3) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognized with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

### 24. Government grants

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to revenue are grants other than those related to assets. A government grant related to assets is recognized as deferred income and amortized over the useful life of the related asset in a reasonable and systematic manner as other income or non-operating income. A government grant related to revenue that compensates the Group for expenses or losses to be incurred in the future is recognized as deferred income, and included in other income or non-operating income in the periods in which the expenses or losses are recognized, otherwise, the grant is included in other income or non-operating income directly.



## NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in RMB unless otherwise indicated)*

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 25. Specific reserve

The Group recognizes a safety fund in the specific reserve pursuant to relevant government regulations, with a corresponding increase in the costs of the related products or expenses.

When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. On utilization of the safety fund for fixed assets, the specific reserve is reduced as the fixed assets are recognized, which is the time when the related assets are ready for their intended use; in such cases, an amount that corresponds to the reduction in the specific reserve is recognized in accumulated depreciation with respect to the related fixed assets. As a consequence, such fixed assets are not depreciated in subsequent periods.

#### 26. Income tax

Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

If a single transaction is not a business combination and neither accounting profit nor taxable income (or deductible loss) is affected at the time of the transaction, and the assets and liabilities initially recognized do not result in an equal amount of taxable temporary difference and deductible temporary difference, then the temporary difference arising from the transaction will not incur deferred income tax. Deferred tax is not recognized for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets and liabilities is measured based on the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates that are expected to be applied in the period when the asset is recovered or the liability is settled in accordance with tax laws.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax asset to be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 26. Income tax (continued)

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all the following conditions are met:

- the taxable entity has a legally enforceable right to offset current tax liabilities, and current tax assets;
- they relate to income taxes levied by the same tax authority on either the same taxable entity; or different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

### 27. Lease

At inception of a contract, the Group assesses whether the contract is a lease or contains a lease. If one party under the contract transfers one or more of the right to use of the identified asset within a period of time in exchange for consideration, the contract shall be considered as a lease or containing lease.

Where the contract contains multiple lease components, the lessee and the lessor shall separate the lease components and account for each individual lease component separately. Where the contract includes both the lease and the non-lease component, the lessee and the lessor shall separate the lease and non-lease components.

#### *The Group as a lessee*

On the commencement date of lease period, the Group recognizes right-of-use assets and lease liabilities on leases.

The Group depreciates the right-of-use assets using the straight-line method. If it is reasonably certain that the lease will transfer ownership of the underlying asset to the lessee by the end of the lease term, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses are recognized in accordance with the accounting policy described in Note III.18.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group calculates interest expenses in each period during the lease term based on a constant periodic rate of interest, and recognizes the interest expenses in profit or loss or part of the cost of other related assets. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss or part of the cost of another related asset as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 27. Lease (continued)

##### *The Group as a lessee (continued)*

After the commencement date, the Group remeasures the lease liability by discounting the revised lease payments, if either:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of an option to purchase the underlying asset, to extend or terminate the lease, or the exercise of the option to extend or terminate the lease is different from the previous assessment.

When the lease liability is re-measured, the Group recognizes the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in profit or loss.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (leases that have a lease term of 12 months or less) and leases of low-value assets (individual leased assets that have a lower value when they are brand new assets), and recognized the lease payments associated with these leases in profit or loss or part of the cost of another related assets on a straight-line basis over the lease term.

#### 28. Assets held for sale and discontinued operations

##### *(1) Assets held for sale*

The Group classified a non-current asset or disposal group as held for sale when the carrying amount of a non-current asset or disposal group will be recovered through a sale transaction rather than through continuing use.

A non-current asset or disposal group is classified as held for sale when all the following criteria are met:

- According to the customary practices of selling such asset or disposal group in similar transactions, the non-current asset or disposal group must be available for immediate sale in their present condition;
- Its sale is highly probable, that is, the Group has made a resolution on a sale plan and has obtained a firm purchase commitment. The sale is expected to be completed within one year.

Non-current assets or disposal groups held for sale are stated at the lower of carrying amount and fair value (see Note III.19) less costs to sell (except financial assets (see note III.9) and deferred tax assets (see note III.26)) initially and subsequently. Any excess of the carrying amount over the fair value (see Note III.19) less costs to sell is recognized as an impairment loss in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 28. Assets held for sale and discontinued operations (continued)

#### (2) Discontinued operations

The Group classifies a separate component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

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

Where an operation is classified as discontinued in the current period, profit or loss from continuing operations and profit or loss from discontinued operations are separately presented in the income statement for the current period. Profit or loss from continuing operation in the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

### 29. Dividend distribution

Dividend or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognized as a liability at the balance sheet date but are disclosed in the notes separately.

### 30. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties.



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 31. Segment reporting

Reportable segments are identified based on the structure of the Group's internal organization, management requirements and internal reporting system. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Reportable segments are identified based on operating segment taking into consideration of the materiality principle.

In preparing segment reports, the Group measures the revenue from inter-segment transactions based on the actual transaction price. The accounting policies adopted for the preparation of segment reports are consistent with those adopted for the preparation of the Group's financial statements.

#### 32. Significant accounting estimates and judgements

The preparation of financial statements requires the Group's management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. The key assumptions and uncertainties underlying the estimates are continually evaluated by the Group's management and the effects of changes in accounting estimates are recognized in the period in which the changes occur and in future periods.

For information about the assumption and their risk factors relating to financial instruments, please see Note III.9(6). Other key sources of significant estimation uncertainty are as follows:

##### (1) *Contracts for electricity installation works*

As explained in Note III.21(3), revenue from contracts for electricity installation works are recognized over time. The revenue recognition on an uncompleted project is dependent on estimating the total outcome of the construction contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the outcome of contract can be reasonably measured. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of each reporting period, which would affect the revenue recognized in future years as an adjustment to the amounts recorded to date.

##### (2) *Loss allowance of accounts and other receivables and contract assets*

The Group uses the expected credit loss model to assess the impairment of receivables and other payables and contract assets. The application of the expected credit loss model requires significant judgments and estimates to be made, taking into account all reasonable and supportable information, including forward-looking information. In making these judgments and estimates, the Group extrapolates expected changes in debtors' credit risk based on historical repayment data combined with factors such as economic policies, macroeconomic indicators and industry risks. Different estimates may affect the provision for impairment, and the provision for impairment that has been made may not equal the actual amount of impairment loss in the future.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

### 32. Significant accounting estimates and judgements (continued)

#### (3) Depreciation and amortization

Property, plant and equipment and intangible assets are depreciated/amortized on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortization to be recorded during any reporting period. The useful lives and residual values are based on the Group's technological experience with similar assets and taking into account anticipated technological changes. The depreciation/amortization for future periods is adjusted if there are material changes from previous estimates.

#### (4) Impairment of assets other than inventories and financial assets

As described in Note III.18, assets other than inventories and financial assets are reviewed at the end of each reporting period to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognized.

The recoverable amount of an asset (or an asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. When a market price of the asset (or an asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably, the recoverable amount is calculated based on the present value of estimated future cash flows. In assessing the present value of estimated future cash flows, significant judgements are exercised to estimate the asset's production, selling price, related operating expenses and discount rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumptions.

#### (5) Income taxes and deferred taxation

Determining deferred income tax involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognized for temporary deductible differences to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilized, management's judgement is required to assess the probability of future taxable profits. Management reassesses these estimates at the end of each reporting period. Additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

#### 33. Changes in significant accounting policies and accounting estimates

##### (1) Description and reasons for changes in accounting policies

In 2024, the Group implemented the relevant requirements and guidelines of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC in recent years, primarily including:

- Requirements of Interpretation 17 of the Accounting Standards for Business Enterprises (Cai Hui [2023] 21) (“Interpretation 17”) on “Classification of Current and Non-current Liabilities”

- (a) the major impact of the Group’s adoption of the above requirements and guidelines

In accordance with the provisions of Interpretation No. 17, the Group, when classifying the liquidity of its liabilities, considers only whether the Group has a substantive right at the balance sheet date to defer settlement of its liabilities for more than one year after the balance sheet date (hereinafter referred to as the “right to defer settlement of its liabilities”) and does not take into account the subjective possibility of the Group exercising the said right.

For liabilities arising from the Group’s loan arrangements, where the Group’s right to defer settlement of the liability depends on the Group’s compliance with the conditions set out in the loan arrangements (“covenant conditions”), the Group only considers the covenant conditions that would have been complied with on or before the balance sheet date when allocating the liquidity of the relevant liability, and does not consider the effect of covenant conditions that would have been complied with by the Group after the balance sheet date.

For liabilities that are settled by the Group through the delivery of its own equity instruments at the option of the counterparties, if the Group classifies the above option as an equity instrument and recognizes it separately as an equity component of a compound financial instrument in accordance with the requirements of ASBE 37 – Presentation of Financial Instruments, it does not affect the liquidity classification of the liability. On the contrary, if the above option cannot be classified as an equity instrument, it will affect the liquidity classification of the liability.

The adoption of such provisions does not have a significant effect on the financial conditions and operating results of the Group.

##### (2) Changes in accounting estimates

There were no significant changes in accounting estimates during the year.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## IV. TAXATION

### 1. Major types of taxes and corresponding tax rates

Type of tax	Tax base	Tax rate
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue according to taxation laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable	6%, 9%, 13%
City maintenance and construction tax	Based on VAT effectively paid	5%, 7%
Education surcharges	Based on VAT effectively paid	3%
Local education surcharges	Based on VAT effectively paid	2%
Enterprise income tax	Based on taxable profits	15%, 25%
Property tax	Based on taxable property value or rental income	1.2% or 12%

### 2. Tax concessions

The Company and subsidiaries were incorporated in the PRC. Under the relevant PRC enterprise income tax law and respective regulations, except for preferential treatments available to certain subsidiaries as mentioned in (1) to (2) below, other subsidiaries within the Group are subject to enterprise income tax at the statutory rate of 25%.

- (1) According to the Notice on Tax Policies in relation to Further Implementation of the Western Development Strategy, enterprises established in western region and engaged in activities encouraged by the state are applicable to a preferential enterprise income tax rate of 15% from 2011 to 2030. Certain subsidiaries operate in the western region of the PRC and therefore can enjoy a preferential enterprise income tax rate of 15%, provided that their revenues from principal activities contribute more than 60% of their total revenues in each of the year.

Sichuan Energy Investment Yibin Xuzhou Electricity Co., Ltd., Sichuan Energy Investment Development and Construction Co., Ltd., Sichuan Energy Investment Gong County Electricity Co., Ltd., Sichuan Energy Investment Gao County Electricity Co., Ltd., Sichuan Energy Power Investment Pingshan Electricity Co., Ltd., Sichuan Energy Investment Xingwen Electricity Co., Ltd., Sichuan Energy Investment Junlian Electricity Co., Ltd. and Shuifu Yangliutan Power Generation Co., Ltd., subsidiaries of the Company, meet the above requirements, and are subject to the enterprise income tax at the rate of 15%.

- (2) Pursuant to the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises, in 2023, the annual taxable income of micro and small enterprises that is not more than RMB3 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%.

Sichuan Energy Investment Gao County Integrated Energy Co., Ltd., Sichuan Energy Investment Changning Green Energy Co., Ltd., Sichuan Energy Investment Junlian Green Energy Co., Ltd., Sichuan Energy Investment Xingwen Green Energy Co., Ltd. and Sichuan Nantou Xingwen Clean Energy Technology Co., Ltd., subsidiaries of the Company, are qualified as micro and small enterprises and their annual taxable income shall be included in their taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20% (2023: included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%).



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash at bank and on hand

Item	2024	2023
Cash on hand	—	—
Bank deposits	553,875,808.46	490,239,048.63
Other cash at bank and on hand	16,023,300.00	10,024,800.00
Total	569,899,108.46	500,263,848.63

Other cash at bank and on hand at the end of the year represented the electricity transactions deposits and ETC deposits deposited in the bank deposit account.

### 2. Bills receivable

#### (1) Bills receivable by category

Category	2024	2023
Bank acceptances	—	1,000,000.00
Less: Provision for bad and doubtful debts	—	—
Total	—	1,000,000.00

All bills receivable above are due within one year.

#### (2) The Group had no pledged bills receivable at the end of the year.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 2. Bills receivable (continued)

- (3) Bills receivable endorsed or discounted at the end of the year and not matured at the balance sheet date:

Category	Amount derecognized at the end of 2024	Amount not derecognized at the end of 2024
Bank acceptances	11,059,732.07	—

Category	Amount derecognized at the end of 2023	Amount not derecognized at the end of 2023
Bank acceptances	8,441,150.00	—

- (4) At the end of the year, the Group had no bills transferred to accounts receivable due to non-performance of the drawer.

### 3. Accounts receivable

- (1) Accounts receivable by customer type is as follows:

Customer type	2024	2023
Receivable due from related parties	40,987,450.10	48,500,946.27
Receivable due from others	1,019,029,902.97	799,305,331.31
Subtotal	1,060,017,353.07	847,806,277.58
Less: Provision for bad and doubtful debts	172,445,554.89	154,645,818.46
Total	887,571,798.18	693,160,459.12

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Accounts receivable (continued)

(2) Accounts receivable by ageing is as follows:

Ageing	2024	2023
Within 1 year (inclusive)	839,684,329.46	637,143,365.56
1 to 2 years (inclusive)	81,172,860.88	80,356,895.77
2 to 3 years (inclusive)	49,453,876.73	36,729,082.14
Over 3 years	89,706,286.00	93,576,934.11
Subtotal	1,060,017,353.07	847,806,277.58
Less: Provision for bad and doubtful debts	172,445,554.89	154,645,818.46
Total	887,571,798.18	693,160,459.12

The ageing is counted starting from the date when accounts receivable are recognized.

### (3) Accounts receivable by provision method

Category	2024					2023				
	Book balance		Provision for bad and doubtful debts		Carrying amount	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad and doubtful debts on individual basis	52,610,408.41	4.96	52,610,408.41	100.00	–	60,450,421.59	7.13	60,450,421.59	100.00	–
Provision for bad and doubtful debts on portfolio basis	1,007,406,944.66	95.04	119,835,146.48	11.90	887,571,798.18	787,355,855.99	92.87	94,195,396.87	11.96	693,160,459.12
– Electricity fees receivable	566,559,893.72	53.45	13,854,322.64	2.45	552,705,571.08	450,403,509.56	53.13	12,194,978.92	2.71	438,208,530.64
– Construction amounts receivable	440,847,050.94	41.59	105,980,823.84	24.04	334,866,227.10	336,952,346.43	39.74	82,000,417.95	24.34	254,951,928.48
Total	1,060,017,353.07	100.00	172,445,554.89	16.27	887,571,798.18	847,806,277.58	100.00	154,645,818.46	18.24	693,160,459.12

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Accounts receivable (continued)

#### (3) Accounts receivable by provision method (continued)

(a) Reasons for provision for bad and doubtful debts on individual basis in 2024:

Name	Closing balance	Balance of provision for bad and doubtful debts	Reasons for provision
Company A	23,220,476.77	(23,220,476.77)	It is determined that the amount cannot be recoverable based on the counterparty's operating status
Company B	3,470,602.39	(3,470,602.39)	It is determined that the amount cannot be recoverable based on the counterparty's operating status
Company C	2,497,000.00	(2,497,000.00)	It is determined that the amount cannot be recoverable based on the counterparty's operating status
Company D	2,321,606.94	(2,321,606.94)	It is determined that the amount cannot be recoverable based on the counterparty's operating status
Company E	2,207,740.45	(2,207,740.45)	It is determined that the amount cannot be recoverable based on the counterparty's operating status
Company F	2,072,688.73	(2,072,688.73)	It is determined that the amount cannot be recoverable based on the counterparty's operating status
Company G	1,948,260.80	(1,948,260.80)	It is determined that the amount cannot be recoverable based on the counterparty's operating status
Other customers	14,872,032.33	(14,872,032.33)	It is determined that the amount cannot be recoverable based on the counterparty's operating status
Total	52,610,408.41	(52,610,408.41)	

(b) Recognition criteria and explanation of provision for bad and doubtful debts on portfolio basis in 2024:

The Group classifies accounts receivable into different portfolios based on credit risk characteristics with reference to historical credit loss experience and in combination with current conditions and forecasts of future economic conditions, and calculates ECLs on portfolio basis. The Group classifies accounts receivable into two portfolios based on the nature of the company and the accounts receivable:

Portfolio 1	Electricity fees receivable
Portfolio 2	Construction amounts receivable



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 3. Accounts receivable (continued)

##### (3) Accounts receivable by provision method (continued)

(c) Assessment of expected credit losses (the “ECLs”) on accounts receivable:

The Group measures provision for impairment for accounts receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix.

**31 December 2024**

##### Portfolio 1: portfolio of electricity fees receivable

	Expected credit loss rate	Closing book balance	Closing provision for impairment
Not yet overdue	0.5%	543,125,710.67	2,714,884.09
Overdue for 1 to 36 months	34%	17,991,681.53	6,174,526.92
Overdue for 37 to 60 months	67%	1,447,242.09	969,652.20
Overdue for more than 61 months	100%	3,995,259.43	3,995,259.43
Total		566,559,893.72	13,854,322.64

##### Portfolio 2: portfolio of construction amounts receivable

	Expected credit loss rate	Closing book balance	Closing provision for impairment
Not yet overdue	2.8%	144,549,881.13	4,071,213.34
Overdue for 1 to 36 months	26%	256,789,198.22	66,649,147.65
Overdue for 37 to 60 months	83%	25,338,825.85	21,091,317.11
Overdue for more than 61 months	100%	14,169,145.74	14,169,145.74
Total		440,847,050.94	105,980,823.84

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 3. Accounts receivable (continued)

#### (3) Accounts receivable by provision method (continued)

(c) Assessment of expected credit losses (the "ECLs") on accounts receivable: (continued)

**31 December 2023**

#### Portfolio 1: portfolio of electricity fees receivable

	Expected credit loss rate	Closing book balance	Closing provision for impairment
Not yet overdue	0.5%	433,882,051.53	2,169,409.81
Overdue for 1 to 36 months	46%	6,944,722.32	3,191,732.02
Overdue for 37 to 60 months	67%	8,058,274.36	5,391,298.81
Overdue for more than 61 months	95%	1,518,461.35	1,442,538.28
<b>Total</b>		<b>450,403,509.56</b>	<b>12,194,978.92</b>

#### Portfolio 2: portfolio of construction amounts receivable

	Expected credit loss rate	Closing book balance	Closing provision for impairment
Not yet overdue	0.5%	72,645,558.05	363,227.79
Overdue for 1 to 36 months	25%	237,801,582.42	60,320,501.01
Overdue for 37 to 60 months	63%	11,981,744.65	7,519,400.91
Overdue for more than 61 months	95%	14,523,461.31	13,797,288.24
<b>Total</b>		<b>336,952,346.43</b>	<b>82,000,417.95</b>

Expected credit loss rates are calculated based on the actual credit loss experiences in the past 5 years and are adjusted based on the differences among the economic conditions of the period of historic data collection, the current economic conditions and the Group's view of economic conditions over the expected lives.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 3. Accounts receivable (continued)

(4) Movements in the provision for bad and doubtful debts:

Item	2024				2023			
	Individual provision	Portfolio of electricity fees receivable	Portfolio of construction amounts receivable	Total	Individual provision	Portfolio of electricity fees receivable	Portfolio of construction amounts receivable	Total
Opening balance	60,450,421.59	12,194,978.92	82,000,417.95	154,645,818.46	63,425,999.20	6,189,792.57	59,534,437.14	129,150,228.91
(Reversal)/provision for the year	(6,052,122.96)	1,659,343.72	24,342,931.43	19,950,152.19	(2,975,577.61)	6,005,186.35	22,465,980.81	25,495,589.55
Written-off for the year	(1,787,890.22)	-	(362,525.54)	(2,150,415.76)	-	-	-	-
Closing balance	52,610,408.41	13,854,322.64	105,980,823.84	172,445,554.89	60,450,421.59	12,194,978.92	82,000,417.95	154,645,818.46

Below significant changes in the book balance of accounts receivable resulted in an increase in the provision for bad and doubtful debts receivables in 2024:

- The growth of the power construction engineering business resulted in an increase in the book balance of accounts receivable by RMB92,701,061.42, and correspondingly, the provision for bad and doubtful debts increased by RMB12,786,762.80;

#### 4. Prepayments

The ageing analysis of prepayments is as follows:

Ageing	2024		2023	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (inclusive)	94,517,132.61	95.67	57,665,761.22	97.42
Over 1 year	4,281,630.03	4.33	1,527,711.48	2.58
Total	98,798,762.64	100.00	59,193,472.70	100.00

The ageing is counted starting from the date when prepayments are recognized. The prepayments with ages over 1 year mainly represent the Group's prepayment for construction works installation service, equipment and materials, which are outstanding mainly because that the relevant construction works have not been commenced, the relevant equipment and materials have not yet arrived or the installation and commissioning have not been completed.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Other receivables

	Note	2024	2023
Dividends receivable		11,856,708.32	—
Others	(1)	71,085,647.02	56,420,623.13
Total		82,942,355.34	56,420,623.13

#### (1) Others

(a) Other receivables by customer type:

Customer type	2024	2023
Receivable due from related parties	14,452,867.29	4,183,115.97
Receivable due from other companies	91,322,223.91	90,208,826.75
Subtotal	105,775,091.20	94,391,942.72
Less: Provision for bad and doubtful debts	34,689,444.18	37,971,319.59
Total	71,085,647.02	56,420,623.13

(b) The ageing analysis of other receivables is as follows:

Ageing	2024	2023
Within 1 year (inclusive)	46,231,336.99	55,692,198.93
1 to 2 years (inclusive)	27,110,396.69	433,187.86
2 to 3 years (inclusive)	252,222.76	897,146.49
Over 3 years	32,181,134.76	37,369,409.44
Subtotal	105,775,091.20	94,391,942.72
Less: Provision for bad and doubtful debts	34,689,444.18	37,971,319.59
Total	71,085,647.02	56,420,623.13

The ageing is counted starting from the date when other receivables are recognized.



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5. Other receivables (continued)

#### (1) Others (continued)

- (c) Other receivables by provision method

Based on the Group's historical experience, there is no significant difference in the loss of different categories of other receivables and therefore no further distinction is made between different portfolios in the calculation of provision for bad and doubtful debts.

- (d) Movements in the provision for bad and doubtful debts

	2024				2023			
	Stage I 12-month ECL	Stage II Lifetime ECL- not credit-impaired	Stage III Lifetime ECL- credit-impaired	Total	Stage I 12-month ECL	Stage II Lifetime ECL- not credit-impaired	Stage III Lifetime ECL- credit-impaired	Total
Provision for bad and doubtful debts								
Opening balance	1,490,634.68	171,240.80	36,309,444.11	37,971,319.59	164,385.79	2,587,732.17	40,660,060.22	43,412,178.18
Provision/(Reversal) for the year	355,062.70	1,359,121.33	(4,891,259.44)	(3,177,075.41)	1,326,248.89	(2,416,491.37)	(4,350,616.11)	(5,440,858.59)
Written-off for the year	-	-	(104,800.00)	(104,800.00)	-	-	-	-
Closing balance	1,845,697.38	1,530,362.13	31,313,384.67	34,689,444.18	1,490,634.68	171,240.80	36,309,444.11	37,971,319.59

### 6. Inventories

#### (1) Inventories by category

Type of inventories	2024			2023		
	Book balance	Provision for impairment of inventories	Carrying amount	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	64,610,779.79	72,545.53	64,538,234.26	96,106,234.17	72,545.53	96,033,688.64
Low-value consumables	93,736.30	-	93,736.30	100,263.88	-	100,263.88
Total	64,704,516.09	72,545.53	64,631,970.56	96,206,498.05	72,545.53	96,133,952.52

The Group had no inventories for guarantee at the end of the year (2023: Nil).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 7. Contract assets

(1) Analysis of contract assets by nature is as follows:

Item	2024			2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Unsettled electricity installation works under construction	288,253,706.08	5,856,707.60	282,396,998.48	120,978,641.26	3,943,556.53	117,035,084.73

- (a) The Group's contracts for electricity installation works include payment schedules which require stage payments over the construction period once milestones are reached. The Group recognizes as contract assets the portion of the construction progress that exceeds the payments made by the customers.
- (b) All contract assets at the end of the year are expected to be transferred to receivables within one year.

(2) Provision for impairment of contract assets in the current year:

#### 2024

Item	Opening balance	Provision for the year	Reversal for the year	Charged-off or written-off for the year	Closing balance
Unsettled electricity installation works under construction	3,943,556.53	1,913,151.07	-	-	5,856,707.60
Total	3,943,556.53	1,913,151.07	-	-	5,856,707.60

#### 2023

Item	Opening balance	Provision for the year	Reversal for the year	Charged-off or written-off for the year	Closing balance
Unsettled electricity installation works under construction	2,581,828.87	1,361,727.66	-	-	3,943,556.53
Total	2,581,828.87	1,361,727.66	-	-	3,943,556.53

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 8. Other current assets

Item	2024	2023
Deductible input tax	15,269,697.42	31,006,597.59
Prepaid income tax	2,473,124.91	8,482,586.31
Other taxes prepaid	71,306.25	301,722.83
Total	17,814,128.58	39,790,906.73

#### 9. Long-term equity investments

(1) Long-term equity investments by category:

Item	2024	2023
Investments in associates	350,904,753.18	369,606,254.81
Less: Provision for impairment – Associates	345,000.00	345,000.00
Total	350,559,753.18	369,261,254.81

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9. Long-term equity investments (continued)

(2) Movements of long-term equity investments for the year are analyzed as follows:

2024

Investee	Opening book balance	Investment Income/(loss) recognized under equity method	Declaration of cash dividends or profits	Closing book balance	Closing and opening balance of provision for impairment
Associates					
Emeishan Jinkun Micro-credit Co., Ltd. (峨眉山市金坤小額貸款有限公司)	52,556,891.86	868,207.26	-	53,425,099.12	-
Yibin Syuzhou District Jinkun Micro-credit Co., Ltd. (宜賓市敘州區金坤小額貸款有限公司)	106,231,729.25	536,732.58	-	106,768,461.83	-
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限公司)	14,416,240.58	1,200,746.33	(1,400,710.64)	14,216,276.27	-
Xingwen County Daguang Cement Products Co., Ltd. (興文縣大光水泥製品有限公司)	345,000.00	-	-	345,000.00	345,000.00
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限公司)	49,519,195.19	(1,285,507.98)	-	48,233,687.21	-
Pingshan Jinping Real Estate Development Co., Ltd. (屏山金屏房地產開發有限公司)	27,553,364.70	(949,529.14)	(11,856,708.32)	14,747,127.24	-
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	118,983,833.23	(5,814,731.72)	-	113,169,101.51	-
Total	369,606,254.81	(5,444,082.67)	(13,257,418.96)	350,904,753.18	345,000.00

2023

Investee	Opening book balance	Investment Income/(loss) recognized under equity method	Investment reduction	Other	Closing book balance	Closing and opening balance of provision for impairment
Associates						
Emeishan Jinkun Micro-credit Co., Ltd. (峨眉山市金坤小額貸款有限公司)	51,360,023.10	1,196,868.76	-	-	52,556,891.86	-
Yibin Syuzhou District Jinkun Micro-credit Co., Ltd. (宜賓市敘州區金坤小額貸款有限公司)	105,988,089.84	243,639.41	-	-	106,231,729.25	-
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限公司)	13,193,736.69	1,222,503.89	-	-	14,416,240.58	-
Xingwen County Daguang Cement Products Co., Ltd. (興文縣大光水泥製品有限公司)	345,000.00	-	-	-	345,000.00	345,000.00
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限公司)	50,569,040.18	(1,049,844.99)	-	-	49,519,195.19	-
Pingshan Jinping Real Estate Development Co., Ltd. (屏山金屏房地產開發有限公司)	21,854,326.37	(768,924.14)	-	6,467,962.47	27,553,364.70	-
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	-	3,783,833.23	115,200,000.00	-	118,983,833.23	-
Total	243,310,216.18	4,628,076.16	115,200,000.00	6,467,962.47	369,606,254.81	345,000.00

(a) Investment in associates includes receivables granted to associates of RMB37,939,548.63 (2023: RMB37,939,548.63), which is unsecured, interest-free and have no fixed terms of payment. The Group has no intention to recover the amount in the next year.



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 10. Fixed assets

#### (1) Information on fixed assets

Item	Plant and buildings	Machinery and equipment	Motor vehicles	Office and other equipment	Total
<b>Cost</b>					
Balance as at 1 January 2023	1,357,152,828.39	3,422,591,891.31	41,499,213.03	205,018,061.95	5,026,261,994.68
Addition during the year	98,965,434.94	911,611,772.57	7,586,444.60	13,047,226.06	1,031,210,878.17
– Purchase	17,785,695.13	42,750,793.72	7,586,444.60	8,518,078.23	76,641,011.68
– Transferred from construction in progress	81,179,739.81	868,860,978.85	–	4,529,147.83	954,569,866.49
Disposal or scrap during the year	(4,744,697.86)	(36,569,542.34)	(1,748,328.32)	(1,257,114.82)	(44,319,683.34)
Balance as at 31 December 2023	1,451,373,565.47	4,297,634,121.54	47,337,329.31	216,808,173.19	6,013,153,189.51
Addition during the year	31,520,804.42	547,554,743.42	5,354,175.97	17,168,003.90	601,597,727.71
– Purchase	15,837,485.63	1,577,942.92	5,354,175.97	8,231,198.43	31,000,802.95
– Transferred from construction in progress	15,683,318.79	545,976,800.50	–	8,936,805.47	570,596,924.76
Disposal or scrap during the year	(45,475.73)	(27,009,545.21)	(1,421,367.35)	(4,535,913.62)	(33,012,301.91)
Balance as at 31 December 2024	<b>1,482,848,894.16</b>	<b>4,818,179,319.75</b>	<b>51,270,137.93</b>	<b>229,440,263.47</b>	<b>6,581,738,615.31</b>
<b>Accumulated depreciation</b>					
Balance as at 1 January 2023	464,522,884.72	1,348,179,899.70	29,414,018.37	78,466,304.39	1,920,583,107.18
Provision for the year	34,793,009.50	128,893,242.92	2,406,620.37	20,427,529.16	186,520,401.95
Disposal or scrap during the year	(1,118,905.62)	(23,958,584.72)	(1,663,121.90)	(1,163,113.59)	(27,903,725.83)
Balance as at 31 December 2023	498,196,988.60	1,453,114,557.90	30,157,516.84	97,730,719.96	2,079,199,783.30
Provision for the year	35,145,317.26	172,627,127.11	2,698,563.48	22,013,228.49	232,484,236.34
Disposal or scrap during the year	(43,201.94)	(19,834,167.05)	(1,327,529.87)	(4,239,276.39)	(25,444,175.25)
Balance as at 31 December 2024	<b>533,299,103.92</b>	<b>1,605,907,517.96</b>	<b>31,528,550.45</b>	<b>115,504,672.06</b>	<b>2,286,239,844.39</b>
<b>Impairment provision</b>					
Balance as at 1 January 2023	7,339,285.39	35,104,942.64	157,588.14	124,441.14	42,726,257.31
Provision for the year	4,139,667.33	4,236,030.87	–	30,652.90	8,406,351.10
Disposal or scrap during the year	–	(5,635,186.97)	(16,544.55)	(21,960.18)	(5,673,691.70)
Balance as at 31 December 2023	11,478,952.72	33,705,786.54	141,043.59	133,133.86	45,458,916.71
Provision for the year	–	21,000.00	–	–	21,000.00
Disposal or scrap during the year	–	(4,841,780.52)	–	(27,094.58)	(4,868,875.10)
Balance as at 31 December 2024	<b>11,478,952.72</b>	<b>28,885,006.02</b>	<b>141,043.59</b>	<b>106,039.28</b>	<b>40,611,041.61</b>
<b>Carrying amount</b>					
Carrying amount as at 31 December 2024	<b>938,070,837.52</b>	<b>3,183,386,795.77</b>	<b>19,600,543.89</b>	<b>113,829,552.13</b>	<b>4,254,887,729.31</b>
Carrying amount as at 1 January 2024	<b>941,697,624.15</b>	<b>2,810,813,777.10</b>	<b>17,038,768.88</b>	<b>118,944,319.37</b>	<b>3,888,494,489.50</b>

## NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in RMB unless otherwise indicated)*

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 10. Fixed assets (continued)

##### **(1) Information on fixed assets (continued)**

- (a) As at 31 December 2024, plant and buildings of the Group with a net carrying amount of RMB121,659,330.79 (2023: RMB164,162,781.39) had not obtained the certificate of ownership.
- (b) No property, plant and equipment were pledged to banks as at 31 December 2024 (2023: nil).
- (c) All of the property, plant and equipment owned by the Group are located in the Chinese mainland.
- (d) During the year, certain property, plant and equipment were physically damaged or ceased for operation. The Group assessed the recoverable amounts of those property, plant and equipment as nil and as a result, impairment loss of RMB21,000.00 (2023: RMB8,406,351.10) was recognized in "Asset impairment losses" for the year.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11. Right-of-use assets

#### *The Group as lessee*

Right-of-use assets

Item	Plant and buildings
<b>Cost</b>	
Balance as at 1 January 2023	16,591,248.93
Increase during the year	3,390,426.90
Decrease during the year	—
Balance as at 31 December 2023	<b>19,981,675.83</b>
Increase during the year	<b>3,972,166.81</b>
Decrease during the year	<b>(799,173.69)</b>
Balance as at 31 December 2024	<b>23,154,668.95</b>
<b>Accumulated depreciation</b>	
Balance as at 1 January 2023	9,993,518.41
Provision for the year	3,098,684.62
Balance as at 31 December 2023	13,092,203.03
Increase during the year	2,802,162.98
Decrease during the year	(799,173.69)
Balance as at 31 December 2024	<b>15,095,192.32</b>
<b>Carrying amount</b>	
Balance as at 31 December 2024	<b>8,059,476.63</b>
Balance as at 1 January 2024	6,889,472.80

Details of the Group's specific arrangements for leasing activities are set out in Notes V. 50.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12. Construction in progress

	Note	2024	2023
Construction in progress	(1)	429,066,765.00	240,765,623.26
Engineering materials	(2)	29,129,756.73	36,240,201.17
Total		458,196,521.73	277,005,824.43

#### (1) Information on construction in progress

Item	2024			2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Power grid construction project	352,161,660.08	-	352,161,660.08	210,105,175.81	-	210,105,175.81
Others	76,905,104.92	-	76,905,104.92	30,660,447.45	-	30,660,447.45
Total	429,066,765.00	-	429,066,765.00	240,765,623.26	-	240,765,623.26

Movements in construction in progress in 2024 are as follows:

Item	Opening balance	Increase during the year	Transfer during the year	Other transfer-out during the year	Closing balance
Power grid construction project	210,105,175.81	678,643,873.83	(536,587,389.56)	-	352,161,660.08
Others	30,660,447.45	80,254,192.67	(34,009,535.20)	-	76,905,104.92
Total	240,765,623.26	758,898,066.50	(570,596,924.76)	-	429,066,765.00

Movements in construction in progress in 2023 are as follows:

Item	Opening balance	Increase during the year	Transfer during the year	Other transfer-out during the year	Closing balance
Power grid construction project	221,939,206.89	879,293,984.77	(891,128,015.85)	-	210,105,175.81
Others	33,626,571.58	60,475,726.51	(63,441,850.64)	-	30,660,447.45
Total	255,565,778.47	939,769,711.28	(954,569,866.49)	-	240,765,623.26



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 12. Construction in progress (continued)

##### (2) Engineering materials

Item	2024			2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Power grid construction project	26,241,563.07	–	26,241,563.07	34,420,898.25	–	34,420,898.25
Others	2,888,193.66	–	2,888,193.66	1,819,302.92	–	1,819,302.92
Total	29,129,756.73	–	29,129,756.73	36,240,201.17	–	36,240,201.17

Movements in engineering materials in 2024 are as follows:

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Power grid construction project	34,420,898.25	38,346,921.11	46,526,256.29	26,241,563.07
Others	1,819,302.92	4,655,866.67	3,586,975.93	2,888,193.66
Total	36,240,201.17	43,002,787.78	50,113,232.22	29,129,756.73

Movements in engineering materials in 2023 are as follows:

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Power grid construction project	14,526,373.54	169,925,916.96	150,031,392.25	34,420,898.25
Others	2,013,834.57	141,500.00	336,031.65	1,819,302.92
Total	16,540,208.11	170,067,416.96	150,367,423.90	36,240,201.17

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13. Intangible assets

#### (1) Information on intangible assets

Item	Land use right	Software	Total
<b>Cost</b>			
Balance as at 1 January 2023	177,595,032.52	24,393,277.31	201,988,309.83
– purchased	2,025,322.91	9,301,037.17	11,326,360.08
Balance as at 31 December 2023	179,620,355.43	33,694,314.48	213,314,669.91
– purchased	58,389,140.67	2,108,153.95	60,497,294.62
Balance as at 31 December 2024	<b>238,009,496.10</b>	<b>35,802,468.43</b>	<b>273,811,964.53</b>
<b>Accumulated amortisation</b>			
Balance as at 1 January 2023	34,884,269.85	17,206,186.17	52,090,456.02
Provision during the year	2,503,039.16	1,993,013.47	4,496,052.63
Balance as at 31 December 2023	37,387,309.01	19,199,199.64	56,586,508.65
Provision during the year	3,902,799.81	2,172,834.84	6,075,634.65
Balance as at 31 December 2024	<b>41,290,108.82</b>	<b>21,372,034.48</b>	<b>62,662,143.30</b>
<b>Provision for impairment</b>			
Balance as at 1 January 2023	–	428,795.79	428,795.79
Provision during the year	–	–	–
Balance as at 31 December 2023	–	428,795.79	428,795.79
Provision during the year	–	–	–
Balance as at 31 December 2024	<b>–</b>	<b>428,795.79</b>	<b>428,795.79</b>
<b>Carrying amount</b>			
31 December 2024	<b>196,719,387.28</b>	<b>14,001,638.16</b>	<b>210,721,025.44</b>
1 January 2024	142,233,046.42	14,066,319.05	156,299,365.47

The Group does not have intangible assets formed through internal R&D (2023: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 13. Intangible assets (continued)

##### (2) Information on land use rights for which certificates of ownership had not been obtained

Item	Carrying amount	Reasons for having not obtained certificates of ownership
Land (Xijie 35KV transformer substation)	1,160,000.00	Unable to apply due to collective land
Yunlong Temple enlarged land	5,454,030.60	Application in progress
Wangchang 220 KV transformer substation	7,506,068.00	Application in progress
New construction of Xingwen County Lianhua 220 KV transformer substation	2,143,627.50	Application in progress
Lot XWJK-C-10-05 in Xingwen Kongtie new district	33,119,377.08	Application in progress
Others	1,041,323.87	
<b>Total</b>	<b>50,424,427.05</b>	

#### 14. Long-term prepaid expenses

##### 2024

Item	Opening balance	Increase during the year	Amortisation for the year	Other decrease	Closing balance
Power station renovation and line repair works	5,684,024.65	1,552,290.35	3,987,962.18	–	3,248,352.82
Refurbishment fee	2,701,809.41	1,999,613.72	2,079,368.50	–	2,622,054.63
Others	44,322.12	–	44,322.12	–	–
Less: Provision for impairment	–	–	–	–	–
<b>Total</b>	<b>8,430,156.18</b>	<b>3,551,904.07</b>	<b>6,111,652.80</b>	<b>–</b>	<b>5,870,407.45</b>

##### 2023

Item	Opening balance	Increase during the year	Amortisation for the year	Other decrease	Closing balance
Power station renovation and line repair works	1,655,866.46	4,865,656.32	837,498.13	–	5,684,024.65
Refurbishment fee	1,608,615.02	2,531,677.87	1,438,483.48	–	2,701,809.41
Others	50,510.80	–	6,188.68	–	44,322.12
Less: Provision for impairment	–	–	–	–	–
<b>Total</b>	<b>3,314,992.28</b>	<b>7,397,334.19</b>	<b>2,282,170.29</b>	<b>–</b>	<b>8,430,156.18</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15. Deferred income tax assets and deferred income tax liabilities

#### (1) Deferred income tax assets and deferred income tax liabilities

Item	2024		2023	
	Deductible or taxable temporary differences ("() for taxable temporary differences)	Deferred tax assets/liabilities ("() for liabilities)	Deductible or taxable temporary differences ("() for taxable temporary differences)	Deferred tax assets/liabilities ("() for liabilities)
Deferred income tax assets:				
Provision for impairment of assets	292,184,243.15	43,861,594.58	282,468,374.90	42,396,742.28
Government grants	20,186,064.91	3,027,909.74	20,514,851.60	3,077,227.74
Lease liabilities	5,848,835.67	877,325.35	5,812,475.20	871,871.28
Others	244,310,368.07	36,646,555.21	158,200,920.27	23,730,138.04
Subtotal	562,529,511.80	84,413,384.88	466,996,621.97	70,075,979.34
Eliminations		15,383,889.90		14,789,754.50
Amount after eliminations		69,029,494.98		55,286,224.84
Deferred income tax liabilities:				
Valuation appreciation of fixed assets	(183,569,736.43)	(27,535,460.75)	(189,943,599.03)	(28,491,540.15)
Right-of-use assets	(8,059,476.60)	(1,208,921.50)	(6,889,472.80)	(1,033,420.92)
Subtotal	(191,629,213.03)	(28,744,382.25)	(196,833,071.83)	(29,524,961.07)
Eliminations		(15,383,889.90)		(14,789,754.50)
Amount after eliminations		(13,360,492.35)		(14,735,206.57)



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 15. Deferred income tax assets and deferred income tax liabilities (continued)

##### (2) Breakdown of unrecognized deferred income tax assets

Item	2024	2023
Deductible losses	44,546,919.40	44,476,705.58
Total	44,546,919.40	44,476,705.58

##### (3) Maturity profile of deductible losses for which no deferred tax assets were recognized

Year	2024	2023
2024	—	16,247,766.81
2025	—	—
2026	19,844,933.40	19,844,933.40
2027	—	—
2028	8,384,005.37	8,384,005.37
2029	16,317,980.63	—
Total	44,546,919.40	44,476,705.58

##### (4) Unrecognized deferred income tax liabilities

The Group had no unrecognized deferred tax liabilities at the end of the year.

##### (5) Movements in deferred tax (assets)/liabilities

Deferred tax arising from	Provision for impairment	Revaluation of property, plant and equipment	Government grants	Right-of-use assets	Lease liabilities	Others	Total
1 January 2023	(38,976,521.17)	29,447,619.45	(3,225,106.63)	989,659.57	(989,659.57)	(8,359,061.57)	(21,113,069.92)
(Credited)/charged to profit or loss	(3,420,221.11)	(956,079.30)	147,878.89	43,761.34	117,788.30	(15,371,076.47)	(19,437,948.35)
31 December 2023	(42,396,742.28)	28,491,540.15	(3,077,227.74)	1,033,420.91	(871,871.27)	(23,730,138.04)	(40,551,018.27)
(Credited)/charged to profit or loss	(1,464,852.30)	(956,079.40)	49,318.00	175,500.59	(5,454.08)	(12,916,417.17)	(15,117,984.36)
31 December 2024	(43,861,594.58)	27,535,460.75	(3,027,909.74)	1,208,921.50	(877,325.35)	(36,646,555.21)	(55,669,002.63)

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 16. Short-term borrowings

(1) Category of short-term borrowings:

Item	2024	2023
Unsecured borrowings	100,000,000.00	150,000,000.00
Total	100,000,000.00	150,000,000.00

(2) Overdue outstanding short-term borrowings:

The Group had no overdue outstanding short-term borrowings at the end of the year.

### 17. Notes payable

Item	2024	2023
Bank acceptance bills	—	4,720,000.00
Letter of credit	—	145,279,930.97
Total	—	149,999,930.97

### 18. Accounts payable

(1) Accounts payable by nature are as follows:

Item	2024	2023
Payment for purchase of electricity	349,847,255.83	303,237,953.45
Construction payment	383,677,892.04	174,101,488.88
Materials payment	391,542,193.49	309,250,379.75
Others	6,340,742.54	73,622.21
Total	1,131,408,083.90	786,663,444.29

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 18. Accounts payable (continued)

(2) Accounts payable by aging are as follows:

The ageing analysis of accounts payable based on the invoice date is as follows:

Ageing	2024	2023
Within 1 year (inclusive)	1,061,910,061.93	747,859,299.01
1 to 2 years (inclusive)	50,470,693.86	22,644,848.56
2 to 3 years (inclusive)	7,192,362.84	7,655,540.99
Over 3 years	11,834,965.27	8,503,755.73
Total	1,131,408,083.90	786,663,444.29

#### 19. Contract liabilities

Item	2024	2023
Electricity fee received in advance	325,717,719.00	288,317,541.16
Electrical project payment in advance	181,819,808.07	117,001,160.48
Total	507,537,527.07	405,318,701.64

The Group normally receives prepayment for electricity from customers. Prior to selling electricity to these customers, the Group will recognize contract liability for the prepaid amount. If the Group receives advance payments from customers before construction begins or if the amount settled exceeds the progress of the project, contract liability will be recognized until the progress of the project recognized exceeds the amount of advance payments received. All contract liabilities at the end of the current year are expected to be recognized as revenue within 24 months.

Material movements in the Group's balance of contract liabilities during the year are as follows:

Reason for change	Electricity payment received in advance	Electricity project payment	Total
Increase due to cash received (excluding amount recognized as revenue during the year)	325,717,719.00	177,269,060.01	502,986,779.01
Revenue recognized from the amount included in the opening carrying amount of contract liabilities	(288,317,541.16)	(112,450,412.42)	(400,767,953.58)
Total	37,400,177.84	64,818,647.59	102,218,825.43

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Employee benefits payable

(1) Employee benefits payable are presented as follows:

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term benefits	147,004,535.58	473,703,204.54	444,957,077.46	175,750,662.66
Post-employment benefits – defined contribution plans	–	63,890,240.36	63,890,240.36	–
Total	147,004,535.58	537,593,444.90	508,847,317.82	175,750,662.66

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term benefits	129,317,032.83	417,354,661.41	399,667,158.66	147,004,535.58
Post-employment benefits – defined contribution plans	33,920.01	60,067,898.89	60,101,818.90	–
Total	129,350,952.84	477,422,560.30	459,768,977.56	147,004,535.58



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 20. Employee benefits payable (continued)

##### (2) Short-term benefits

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	140,701,623.66	386,020,753.37	358,009,504.51	168,712,872.52
Staff welfare	–	14,125,592.78	14,125,592.78	–
Social insurance	22,480.63	25,114,111.06	25,114,111.06	22,480.63
– Medical insurance	19,259.80	22,861,891.83	22,861,891.83	19,259.80
– Work injury insurance	2,989.62	1,876,454.81	1,876,454.81	2,989.62
– Maternity insurance	231.21	375,764.42	375,764.42	231.21
Housing provident fund	(1,996.80)	35,915,431.68	35,919,706.68	(6,271.80)
Labour union operating funds and staff education funds	6,282,428.09	11,716,315.69	10,977,162.47	7,021,581.31
Other short-term benefits	–	810,999.96	810,999.96	–
<b>Total</b>	<b>147,004,535.58</b>	<b>473,703,204.54</b>	<b>444,957,077.46</b>	<b>175,750,662.66</b>

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	124,257,170.14	333,609,580.53	317,165,127.01	140,701,623.66
Staff welfare	–	13,334,063.21	13,334,063.21	–
Social insurance	21,249.37	24,813,457.87	24,812,226.61	22,480.63
– Medical insurance	(48,598.07)	21,696,895.93	21,629,038.06	19,259.80
– Work injury insurance	3,011.04	2,821,438.08	2,821,459.50	2,989.62
– Maternity insurance	66,836.40	295,123.86	361,729.05	231.21
Housing provident fund	(88,747.52)	33,827,621.77	33,740,871.05	(1,996.80)
Labour union operating funds and staff education funds	5,127,360.84	10,977,938.06	9,822,870.81	6,282,428.09
Other short-term benefits	–	791,999.97	791,999.97	–
<b>Total</b>	<b>129,317,032.83</b>	<b>417,354,661.41</b>	<b>399,667,158.66</b>	<b>147,004,535.58</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20. Employee benefits payable (continued)

#### (3) Post-employment benefits – defined contribution plans

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension insurance	–	48,047,123.08	48,047,123.08	–
Unemployment insurance	–	1,813,373.65	1,813,373.65	–
Enterprise annuity	–	14,029,743.63	14,029,743.63	–
Total	–	63,890,240.36	63,890,240.36	–

2023

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension insurance	28,339.12	45,138,197.92	45,166,537.04	–
Unemployment insurance	–	1,589,374.56	1,589,374.56	–
Enterprise annuity	5,580.89	13,340,326.41	13,345,907.30	–
Total	33,920.01	60,067,898.89	60,101,818.90	–

- (a) Staff costs include remuneration of directors, supervisors and senior management (see Note XIV.2 and Note XIV.3).
- (b) Pursuant to the relevant labor regulations in the PRC, the Company and its subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the “Schemes”) organized by the local government authorities whereby the Company and its subsidiaries in the PRC are required to make contributions to the Schemes based on certain percentages of the eligible employee’s salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.
- (c) The Group has no other obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.
- (d) The Group’s contributions to the Schemes vest fully and immediately with the employees. Accordingly, there are no forfeited contributions under the Schemes which may be used by the Group to reduce its existing level of contributions during the year ended 31 December 2024.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 21. Taxes payable

Item	2024	2023
VAT – Accruals to be transferred to output tax	24,605,370.89	39,122,671.97
VAT	28,448,428.68	4,279,172.67
Enterprise income tax	27,143,139.78	24,111,008.74
Urban maintenance and construction tax	1,732,551.40	1,010,650.70
Education surcharge	1,415,101.11	844,687.16
Others	2,364,758.20	2,727,695.30
Total	85,709,350.06	72,095,886.54

#### 22. Other payables

	Note	2024	2023
Interest payable	(1)	5,638,322.97	5,514,238.25
Others	(2)	182,874,815.32	154,318,905.00
Total		188,513,138.29	159,833,143.25

##### (1) Interest payable

Item	2024	2023
Interest payable on bank borrowings	490,377.77	366,293.05
Interest payable on borrowings from third parties	5,147,945.20	5,147,945.20
Total	5,638,322.97	5,514,238.25

Material overdue unpaid interest: Nil.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22. Other payables (continued)

#### (2) Others

Other payables by nature are as below:

Item	2024	2023
Payable to related parties	20,638,623.18	26,668,331.15
Construction payables related to fixed assets	13,780,715.64	18,383,222.16
Security deposit payable	29,828,456.37	20,941,906.08
Levy payable	35,803,533.18	25,741,667.08
Others	82,823,486.95	62,583,778.53
Total	182,874,815.32	154,318,905.00

### 23. Non-current liabilities due within one year

Non-current liabilities due within one year by item are as follows:

Item	2024	2023
Long-term borrowings due within one year	35,190,029.54	33,868,329.54
Lease liabilities due within one year	1,859,197.11	2,253,792.66
Total	37,049,226.65	36,122,122.20



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 24. Long-term borrowings

##### (1) Type of long-term borrowings:

Item	2024	2023
Guaranteed Borrowing	6,880,000.00	—
Unsecured borrowings	585,750,029.54	357,368,329.54
Less: long-term borrowings due within one year	35,190,029.54	33,868,329.54
Total	557,440,000.00	323,500,000.00

The Group's long-term borrowing rates are fixed on an annual basis and are variable interest rates. The annual interest rate ranges from 1-year LPR-0.96% to 1-year LPR+0.35%.

#### 25. Lease liabilities

Item	Note	2024	2023
Long-term lease liabilities		5,848,835.66	5,812,474.72
Lease liabilities due within one year	V.23	1,859,197.11	2,253,792.66
Total		3,989,638.55	3,558,682.06

Details of the Group's specific arrangements for leasing activities are set out in Notes V. 50.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26. Long-term payables

#### (1) Breakdown of long-term payables

Item	2024	2023
Special payables	721,707,700.00	545,981,000.00
Total	721,707,700.00	545,981,000.00

The Group received an amount of RMB175,726,700.00 (2023: 252,006,413.00) under the Investment Plans within the Central Budget during the year, which shall be exclusively used for the enhancement and upgrading projects of rural power grid.

### 27. Deferred income

#### 2024

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance	Cause
Resettlement project	86,111,191.42	4,309,176.44	7,223,741.45	83,196,626.41	Relocation compensation
County power grid transformation project	4,911,655.87	–	305,092.71	4,606,563.16	Government funding
Snow disaster project	25,054,312.91	–	1,141,973.70	23,912,339.21	Xingwen natural gas distributed energy project
Charging and switching infrastructure subsidy projects	–	31,500,000.00	–	31,500,000.00	Government funding
Post-disaster reconstruction funds	–	1,280,147.81	484,379.55	795,768.26	Government funding
Other government subsidies	10,108,341.31	297,210.00	448,826.64	9,956,724.67	
Total	126,185,501.51	37,386,534.25	9,604,014.05	153,968,021.71	

#### 2023

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance	Cause
Resettlement project	94,374,154.15	–	8,262,962.73	86,111,191.42	Relocation compensation
County power grid transformation project	5,218,103.75	–	306,447.88	4,911,655.87	Government funding
Snow disaster project	26,188,733.39	–	1,134,420.48	25,054,312.91	Post-disaster reconstruction funds
Other government subsidies	10,805,738.02	–	697,396.71	10,108,341.31	
Total	136,586,729.31	–	10,401,227.80	126,185,501.51	

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 27. Deferred income (continued)

Items related to government grants:

2024

Item	Opening balance	Additional grants in the year	Amount recognized in non-operating income during the year	Amount recognized in other income during the year	Closing balance	Related to assets/related to income
Resettlement project	86,111,191.42	4,309,176.44	7,223,741.45	–	83,196,626.41	Related to assets
County power grid transformation project	4,911,655.87	–	305,092.71	–	4,606,563.16	Related to assets
Snow disaster project	25,054,312.91	–	1,141,973.70	–	23,912,339.21	Related to assets
Xingwen natural gas distributed energy project	–	31,500,000.00	–	–	31,500,000.00	Related to assets
Charging and switching infrastructure subsidy projects	–	1,280,147.81	–	484,379.55	795,768.26	Related to assets
Other government subsidies	10,108,341.31	297,210.00	310,142.01	138,684.63	9,956,724.67	Related to assets/ related to income
Total	126,185,501.51	37,386,534.25	8,980,949.87	623,064.18	153,968,021.71	

2023

Item	Opening balance	Additional grants in the year	Amount recognized in non-operating income during the year	Amount recognized in other income during the year	Closing balance	Related to assets/related to income
Resettlement project	94,374,154.15	–	8,262,962.73	–	86,111,191.42	Related to assets
County power grid transformation project	5,218,103.75	–	306,447.88	–	4,911,655.87	Related to assets
Snow disaster project	26,188,733.39	–	1,134,420.48	–	25,054,312.91	Related to assets
Other government subsidies	10,805,738.02	–	478,545.42	218,851.29	10,108,341.31	Related to assets/ related to income
Total	136,586,729.31	–	10,182,376.51	218,851.29	126,185,501.51	

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 28. Share capital

	Opening balance	Closing balance
Total shares	1,074,357,700.00	1,074,357,700.00

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's net assets.

### 29. Capital reserve

#### 2024

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Share premium	203,429,005.75	–	–	203,429,005.75
State capital reserve benefits	878,018,600.00	–	–	878,018,600.00
Total	1,081,447,605.75	–	–	1,081,447,605.75

#### 2023

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Share premium	203,429,005.75	–	–	203,429,005.75
State capital reserve benefits	878,018,600.00	–	–	878,018,600.00
Total	1,081,447,605.75	–	–	1,081,447,605.75



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 29. Capital reserve (continued)

#### (1) Share premium

Share premium of the Group mainly consisted of (1) premium arising from capital injection from domestic equity shareholders of RMB285,879 thousand; (2) decrease in merger reserve of RMB118,813 thousand, which resulted from business combination in 2012 involving entities under common control; (3) reserves of RMB29 thousand due to subsidiary's purchase of own shares in 2014; (4) decrease in share premium of RMB71,778 thousand due to acquiring the remaining 49% non-controlling interests in Yangliutan Power Generation in 2016; (5) net premium of RMB108,112 thousand arising from the issue of new ordinary H Shares in 2018 after deduction of issue expenses.

#### (2) Other capital reserve

State capital reserve benefits represented government funds in respect of the Group's construction and modification of rural power grid. The funds were received and allocated to the subsidiaries for construction of power supplies by the parent company. The recognition of RMB878,018,600 as state capital reserve benefits was approved by the State-owned Assets Supervision and Administration Commission of Sichuan Province.

### 30. Specific reserve

2024

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Safety production funds	12,963,709.80	31,777,579.77	32,809,662.59	11,931,626.98
Total	12,963,709.80	31,777,579.77	32,809,662.59	11,931,626.98

2023

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Safety production funds	15,112,314.76	30,664,472.48	32,813,077.44	12,963,709.80
Total	15,112,314.76	30,664,472.48	32,813,077.44	12,963,709.80

Pursuant to the relevant PRC regulations for power companies, the Group is required to set aside an amount to maintenance, production and other similar funds. The funds can be used for maintenance of production and improvements of safety, and are not available for distribution to shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 31. Surplus reserve

2024

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	163,408,762.58	34,638,284.29	–	198,047,046.87
Total	163,408,762.58	34,638,284.29	–	198,047,046.87

2023

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	132,895,011.72	30,513,750.86	–	163,408,762.58
Total	132,895,011.72	30,513,750.86	–	163,408,762.58

- (1) According to the PRC Company Law, the PRC subsidiaries of the Group are required to transfer 10% of their profit after taxation, as determined under the PRC Accounting Regulations, to the statutory surplus reserve until the reserve reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.
- (2) Statutory surplus reserve can be used to cover previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 32. Undistributed profit

Item	Note	2024	2023
Undistributed profit at the beginning of the year	(1)	<b>1,023,116,059.00</b>	843,553,062.73
Add: Net profit for the year attributable to shareholders of the parent company		<b>400,024,969.52</b>	338,999,671.13
Less: Appropriation for statutory surplus reserve		<b>34,638,284.29</b>	30,513,750.86
Dividends payable on ordinary shares	(2)	<b>139,666,501.00</b>	128,922,924.00
Undistributed profit at the end of the year	(3)	<b>1,248,836,243.23</b>	1,023,116,059.00

(1) Breakdown of adjustments to undistributed profit at the beginning of the year: Nil

(2) Distribution of dividends on ordinary shares for the year

On 13 June 2024, a dividend for the year ended 31 December 2023 of RMB139,666,501.00, representing RMB0.13 per share (2023: RMB128,922,924.00, representing RMB0.12 per share) was approved by the shareholders at the annual general meeting of the Company.

(3) Explanation of undistributed profit at the end of the year

As of 31 December 2024, the Group's undistributed profit attributable to the parent company included surplus reserve set aside by subsidiaries of the Company of RMB203,606,682.17 (2023: RMB174,863,148.15).

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 33. Operating revenue and operating costs

#### (1) Operating revenue and operating costs

Item	Note	2024		2023	
		Revenue	Cost	Revenue	Cost
Principal business		4,755,362,770.37	3,970,540,979.68	4,151,758,087.03	3,483,937,006.07
Other businesses		20,208,757.51	8,341,575.72	8,434,490.92	373,242.71
Total		4,775,571,527.88	3,978,882,555.40	4,160,192,577.95	3,484,310,248.78
Including: Revenue from contracts	V.30(2)	4,769,193,293.61		4,155,596,460.94	
Other income		6,378,234.27		4,596,117.01	

Among the Group's customers, there is one (2023: nil) customer from which the Group derives more than 10% of the Group's total revenue from a single customer, representing approximately 16.51% (2023: nil) of the Group's total revenue.

#### (2) Revenue from contracts

Type of contracts	2024	2023
Classified by contract type		
Power supply contracts	4,339,330,250.74	3,681,784,222.54
Contracts of power installation projects	404,524,018.56	447,619,015.50
Material sales contracts	11,508,501.39	22,354,848.99
Others	13,830,522.92	3,838,373.91
Total	4,769,193,293.61	4,155,596,460.94
Classified by time of transfer of goods		
Revenue recognized at a point in time	4,364,669,275.05	3,707,977,445.44
Revenue recognized over time	404,524,018.56	447,619,015.50
Total	4,769,193,293.61	4,155,596,460.94



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 33. Operating revenue and operating costs (continued)

##### (3) Information about the transaction prices allocated to the remaining performance obligations

As of 31 December 2024, the total transaction prices allocated to the remaining performance obligations under the Group's existing contracts were RMB862,875,383.20 (2023: RMB666,646,475.69). The amount represents the revenue expected to be recognized in the future in respect of the electrical engineering construction and related business contracts between customers and the Group. The Group expects that this part of contracts will be completed within the next 12 to 24 months.

The Group applied the practical expedient for power supply contract and material sales contract for which the contract term was originally expected to not exceed one year, and therefore the information disclosed above does not include the transaction prices allocated by the Group to the remaining performance obligations in that contract.

#### 34. Taxes and surcharges

Item	2024	2023
City maintenance and construction tax	6,113,721.27	4,702,403.59
Education surcharges	5,019,131.15	3,978,787.87
Housing property tax	4,622,818.54	3,789,684.26
Others	5,710,539.32	5,042,181.74
Total	21,466,210.28	17,513,057.46

#### 35. Administrative expenses

Item	2024	2023
Labour cost	193,580,821.69	171,248,217.91
Depreciation and amortisation charge	17,624,219.26	16,271,920.99
Consultancy and advisory fee	8,063,572.31	8,425,922.42
Office and travel expenses	10,971,803.99	9,990,037.19
Research and development costs	9,588,455.11	—
Property management fee	5,669,100.42	6,353,477.69
Vehicle transportation costs	3,029,734.03	2,904,088.15
Labour protection expense	2,214,868.20	2,029,359.12
Business entertainment expense	1,167,343.09	1,454,276.50
Auditor's remuneration	1,833,963.00	1,760,000.00
Including: audit service	1,650,000.00	1,760,000.00
Other services	183,963.00	—
Others	25,096,765.25	15,377,601.85
Total	278,840,646.35	235,814,901.82

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 36. Finance costs

Item	2024	2023
Interest expenses on loans and payables	16,613,633.64	14,926,666.38
Interest expenses on lease liabilities	317,082.35	347,258.17
Less: Capitalized interest expense	523,915.72	—
Interest income on deposits and receivables	(3,892,162.87)	(5,104,366.37)
Net foreign exchange losses	723,432.50	1,411,443.97
Other finance costs	2,091,330.93	1,728,481.52
Total	15,329,400.83	13,309,483.67

The capitalization rate per annum, at which the borrowing costs were capitalized by the Group, was 2.88% for the year (2023: 0%).

### 37. Other income

Item	2024	2023
Subsidy for power grid transformation	484,379.55	629,358.59
Employment stability subsidy	707,287.61	1,120,352.52
Others	2,101,144.12	792,058.69
Total	3,292,811.28	2,541,769.80

### 38. Investment (loss)/income

#### Investment income by item

Item	2024	2023
Investment (loss)/income from long-term equity investments accounted for using the equity method	(5,444,082.67)	4,628,076.16
Investment income from financial assets held for trading	564,965.75	—
Others	61,494.00	—
Total	(4,817,622.92)	4,628,076.16

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 39. Gains on fair value changes

Item	2024	2023
Trading financial assets	–	1,136,000.00
Total	–	1,136,000.00

#### 40. Credit impairment losses

Item	2024	2023
Accounts receivable	19,950,152.19	25,495,589.55
Other receivables	(3,177,075.41)	(5,440,858.59)
Total	16,773,076.78	20,054,730.96

#### 41. Asset impairment losses

Item	2024	2023
Fixed assets	21,000.00	8,406,351.10
Contract assets	1,913,151.07	1,361,727.66
Total	1,934,151.07	9,768,078.76

#### 42. (Losses)/gains on asset disposals

Item	2024	2023
(Losses)/gains on disposal of fixed assets	(95,040.17)	15,489,027.27
Total	(95,040.17)	15,489,027.27

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 43. Non-operating income and non-operating expenses

#### (1) Non-operating income by item is as follows:

Item	2024	2023
Government grants	8,982,949.87	11,148,558.19
Gain from fine payments	—	89,418.27
Tax refund	6,980.84	—
Others	2,126,137.13	1,612,293.98
Total	11,116,067.84	12,850,270.44

Government grants recorded in profit or loss for the current period

Item of grants	2024	2023	Related to assets/related to income
Resettlement project	7,223,741.45	8,262,962.73	Related to assets
County power grid transformation project	305,092.71	306,447.88	Related to assets
Snow disaster project	1,141,973.70	1,134,420.48	Related to assets
Others	312,142.01	1,444,727.10	Related to assets/related to income
Total	8,982,949.87	11,148,558.19	

#### (2) Non-operating expenses

Item	2024	2023
Expenses on charity donation	—	4,540,494.29
Fines and compensations	2,143,505.28	810,296.19
Others	2,948,102.48	1,526,094.99
Total	5,091,607.76	6,876,885.47



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 44. Income tax expenses

Item	Note	2024	2023
Income tax expenses for the year calculated based on			
tax laws and regulations		<b>82,901,885.19</b>	79,087,457.02
Movements in deferred tax	(1)	<b>(15,117,984.36)</b>	(19,437,948.35)
Adjustments of tax filing differences		<b>(2,282,021.72)</b>	7,540,670.44
Total		<b>65,501,879.11</b>	67,190,179.11

(1) The analysis of changes in deferred tax is set out below:

Item	2024	2023
Origination and reversal of temporary differences	<b>(15,117,984.36)</b>	(19,437,948.35)
Total	<b>(15,117,984.36)</b>	(19,437,948.35)

(2) Reconciliation between income tax expenses and accounting profit is as follows:

Item	2024	2023
Profit before tax	<b>466,750,095.44</b>	409,190,334.70
Expected income tax expenses calculated at the tax rate of 25%	<b>116,687,523.86</b>	102,297,583.68
Effect of different tax rates for subsidiaries	<b>(53,115,995.83)</b>	(44,722,147.17)
Effect of non-deductible costs, expenses and losses	<b>1,109,475.24</b>	1,476,011.84
Effect of deductible temporary differences or deductible losses for which no deferred tax assets are recognized for the year	<b>4,079,495.15</b>	2,406,259.83
Effect of non-taxable income	<b>(976,597.59)</b>	(1,808,199.51)
Tax filing differences (Effect of adjusting income tax for previous years)	<b>(2,282,021.72)</b>	7,540,670.44
Income tax expenses for the year	<b>65,501,879.11</b>	67,190,179.11

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 45. Calculation of basic earnings per share

#### (1) Basic earnings per share

Basic earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding of the Company:

	2024	2023
Consolidated net profit attributable to ordinary shareholders of the Company	400,024,969.52	338,999,671.13
Weighted average number of ordinary shares outstanding of the Company	1,074,357,700.00	1,074,357,700.00
Basic earnings per share (RMB/share)	0.37	0.32

The weighted average number of ordinary shares is calculated as follows:

	2024	2023
Number of ordinary shares in issue at the beginning of the year	1,074,357,700.00	1,074,357,700.00
Weighted average number of ordinary shares at the end of the year	1,074,357,700.00	1,074,357,700.00

There were no potentially dilutive ordinary shares for the year ended 31 December 2024, and therefore, diluted earnings per share are the same as the basic earnings per share.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 46. Supplementary information to the income statement

Classification of expenses in the income statement by nature:

Item	2024	2023
Operating revenue	<b>4,775,571,527.88</b>	4,160,192,577.95
Less: Cost of purchase of electricity	<b>2,941,565,932.36</b>	2,477,637,827.27
Raw materials consumed	<b>373,737,189.62</b>	379,417,930.23
Repair fees	<b>42,060,491.67</b>	33,208,354.17
Employee benefits expenses	<b>537,593,444.90</b>	477,422,560.30
Depreciation and amortisation charge	<b>247,473,686.77</b>	196,397,309.49
Asset impairment losses	<b>1,934,151.07</b>	9,768,078.76
Credit impairment losses	<b>16,773,076.78</b>	20,054,730.96
Finance costs	<b>15,329,400.83</b>	13,309,483.67
Taxes	<b>21,466,210.28</b>	17,513,057.46
Use of rural power grid assets	<b>30,892,158.86</b>	29,622,616.12
Safety production funds	<b>24,469,309.21</b>	22,287,592.71
Office and travel expenses	<b>10,971,803.99</b>	9,990,037.19
Labor costs	<b>12,577,238.89</b>	12,714,220.58
Other expenses	<b>38,001,797.29</b>	57,631,829.31
Operating profit	<b>460,725,635.36</b>	403,216,949.73

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 47. Related information of cash flow statement

#### (1) Supplementary information to the cash flow statement

a. Reconciliation of net profit to cash flow from operating activities:

Item	2024	2023
Net profit	401,248,216.33	342,000,155.59
Add: Provisions for asset impairment	1,934,151.07	9,768,078.76
Credit impairment losses	16,773,076.78	20,054,730.96
Depreciation of fixed assets	232,484,236.34	186,520,401.95
Amortisation of intangible assets	6,075,634.65	4,496,052.63
Amortisation of long-term prepaid expenses	6,111,652.80	2,282,170.29
Depreciation of right-of-use assets	2,802,162.98	3,098,684.62
Losses on disposal of fixed assets, intangible assets and other long-term assets ("() for gains)	1,576,089.66	(15,029,447.44)
Losses on fair value changes ("() for gains)	—	(1,136,000.00)
Finance costs ("() for income)	17,836,181.41	11,581,002.15
Losses arising from investment ("() for gains)	4,817,622.92	(4,628,076.16)
Decrease in deferred tax assets ("() for increase)	(13,743,270.14)	(17,680,276.32)
Increase in deferred tax liabilities ("() for decrease)	(1,374,714.22)	(1,757,672.03)
Decrease in inventories ("() for increase)	31,501,981.96	(8,241,336.19)
Decrease in operating receivables ("() for increase)	(581,933,512.42)	(471,966,787.41)
Increase in operating payables ("() for decrease)	486,388,273.98	573,337,188.81
Amortisation of deferred income	(9,604,014.05)	(10,401,227.80)
Net cash flows from operating activities	602,893,770.05	622,297,642.41

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 47. Related information of cash flow statement (continued)

##### (1) Supplementary information to the cash flow statement (continued)

b. Net changes in cash and cash equivalents:

Item	2024	2023
Cash at the end of the year	<b>553,875,808.46</b>	490,239,048.63
Less: Cash at the beginning of the year	<b>490,239,048.63</b>	757,887,345.82
Net increase/(decrease) in cash and cash equivalents	<b>63,636,759.83</b>	(267,648,297.19)

##### (2) Composition of cash and cash equivalents

Item	2024	2023
Cash	<b>553,875,808.46</b>	490,239,048.63
Including: Cash on hand	—	—
Bank deposits on demand	<b>553,875,808.46</b>	490,239,048.63
Cash and cash equivalents at the end of the year	<b>553,875,808.46</b>	490,239,048.63



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 48. Assets with restricted ownership or use right

2024

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance	Reason for restriction
Cash at bank and on hand	10,024,800.00	5,998,500.00	–	16,023,300.00	Deposits
Total	10,024,800.00	5,998,500.00	–	16,023,300.00	Deposits

2023

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance	Reason for restriction
Cash at bank and on hand	12,199,800.00	–	2,175,000.00	10,024,800.00	Deposits
Total	12,199,800.00	–	2,175,000.00	10,024,800.00	Deposits

Other cash at bank and on hand at the end of the year represented the electricity transactions deposits and ETC deposits deposited in the bank deposit account.

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

#### 49. Government grants

##### (1) Basic information of government grants

Type	Amount as at 31 December 2024 and 2024	Presented under
Resettlement project	83,196,626.41	Deferred income
County power grid transformation project	4,606,563.16	Deferred income
Snow disaster project	23,912,339.21	Deferred income
Xingwen natural gas distributed energy project	31,500,000.00	Deferred income
Charging and switching infrastructure subsidies	795,768.26	Deferred income
Others	9,956,724.67	Deferred income
Others	2,000.00	Non-operating income (direct inclusion)
Others	2,669,747.10	Other income (direct inclusion)
Total	156,639,768.81	

##### (2) Government grants included in profit or loss

Category	2024	2023
Resettlement project	7,223,741.45	8,262,962.73
County power grid transformation project	305,092.71	306,447.88
Snow disaster project	1,141,973.70	1,134,420.48
Charging and switching infrastructure subsidies	484,379.55	—
Others	448,826.64	697,396.71
Others	2,000.00	966,181.68
Others	2,669,747.10	2,322,918.51
Total	12,275,761.15	13,690,327.99

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 50. Lease

#### (1) Lease with the Group as lessee

Item	2024	2023
Short-term rental costs with simplified treatment	154,841.91	180,848.68
Total cash outflows related to leases	4,252,888.67	3,598,658.39

The Group leases premises and buildings for its office premises and retail outlets. The term of office premises lease typically ranges from 1 to 15 years and the term of retail store leases ranges from 1 to 5 years.

Short-term leases or low-value leases

The Group also leases computer devices for a term of one year. These leases are short-term leases or leases of low-value assets. The Group has decided not to recognise the right-of-use assets and lease liabilities for these leases.

### 51. Dividends

#### (1) Dividends payable to equity shareholders of the Company attributable to the current financial year declared after the balance sheet date

	2024	2023
Proposed dividends of RMB0.14 per ordinary share attributable to the year after the year end (2023: RMB0.13 per ordinary share)	150,410,078.00	139,666,501.00

On 26 March 2025, a dividend for the year ended 31 December 2024 of approximately RMB150,410,078.00 (2023: RMB139,666,501.00), representing RMB0.14 per share was proposed by the Board (2023: RMB0.13 per share). Such dividend is to be approved by the shareholders at the general meeting of the Company. The final dividend proposed after the end of the balance sheet date has not been recognized as a liability as at the balance sheet date.

#### (2) Dividends payable during the year attributable to equity shareholders of the Company attributable to the previous financial year

	2024	2023
Final dividend in respect of the previous financial year, approved and paid during the year	139,666,501.00	128,922,924.00

On 13 June 2024, a final dividend for the year ended 31 December 2023 of RMB139,666,501.00, representing RMB0.13 per share was approved by the shareholders at the annual general meeting of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## VI. CHANGE IN SCOPE OF CONSOLIDATION

During the year, the Company and Xingwen County Industrial Investment Group Co., Ltd.\* (興文縣產業投資集團有限責任公司) jointly established Sichuan Energy Xingwen Clean Energy Technology Co., Ltd.\* (四川能投興文清潔能源科技有限公司) with a shareholding of 70% and 30% respectively; and the Company and Xingwen County Industrial Investment Group Co., Ltd. jointly established Sichuan Energy Investment Xingwen Green Energy Co., Ltd.\* (四川能投興文綠色能源有限公司) with a shareholding of 70% and 30% respectively. The resolutions of the shareholders' meetings of the above newly established companies are exercised by the shareholders in accordance with the proportion of their capital contributions, and the Company is able to exercise control over these companies, which are therefore included in the scope of consolidation of the Group. There were no other changes in the scope of consolidation of the Group during the year.

## VII. INTERESTS IN OTHER ENTITIES

### 1. Interests in subsidiaries

#### (1) Group members

Name of subsidiary	Place of registration and business	Legal form	Nature of business	Registered capital	Percentage of shareholding (%) (or percentage of similar interests)	
					Direct	Indirect
Sichuan Energy Investment Yibin Xuzhou Electricity Co., Ltd. (四川能投宜賓市敘州電力有限公司)	Yibin City, Sichuan Province	Limited liability company	Electricity sales	60,000,000.00	100%	–
Sichuan Energy Investment and Development Construction Co., Ltd. (四川能投發展建設有限公司)	Yibin City, Sichuan Province	Limited liability company	Power installation	100,000,000.00	100%	–
Sichuan Energy Investment Gong County Electricity Co., Ltd. (四川能投珙縣電力有限公司)	Gong County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	11,960,000.00	100%	–
Sichuan Energy Investment Gao County Electricity Co., Ltd. (四川能投高縣電力有限公司)	Gao County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	78,100,000.00	100%	–
Sichuan Energy Investment Yibin Power Generation Co., Ltd. (四川能投宜賓發電有限公司)	Gao County, Yibin City, Sichuan Province	Limited liability company	Power generation	3,000,000.00	100%	–
Sichuan Energy Power Investment Pingshan Electricity Co., Ltd. (四川能投屏山電力有限公司)	Pingshan County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	111,111,400.00	100%	–
Sichuan Energy Investment Xingwen Electricity Co., Ltd. (四川能投興文電力有限公司)	Xingwen County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	32,020,000.00	100%	–
Sichuan Energy Investment Junlian Electricity Co., Ltd. (四川能投筠連電力有限公司)	Junlian County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	40,000,000.00	100%	–
Shuifu Yangliutan Power Generation Co., Ltd. (水富楊柳灘發電有限公司)	Shuifu City, Yunnan Province	Limited liability company	Power generation	10,000,000.00	100%	–
Sichuan Energy Investment Electricity Energy Co., Ltd. (四川能投電能有限公司)	Yibin City, Sichuan Province	Limited liability company	Electricity sales	50,000,000.00	74%	–
Sichuan Energy Investment Gao County Integrated Energy Co., Ltd. (四川能投高縣綜合能源有限公司)	Gao County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	20,000,000.00	60%	–
Sichuan Energy Investment Changning Green Energy Co., Ltd. (四川能投長寧綠色能源有限公司)	Changning County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	50,000,000.00	51%	–
Sichuan Energy Investment Junlian Green Energy Co., Ltd. (四川能投筠連綠色能源有限公司)	Junlian County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	20,000,000.00	80%	–
Sichuan Energy Investment Xingwen Green Energy Co., Ltd. (四川能投興文綠色能源有限公司)	Xingwen County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	50,000,000.00	70%	–
Sichuan Energy Xingwen Clean Energy Technology Co., Ltd.* (四川能投興文清潔能源科技有限公司)	Xingwen County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	120,000,000.00	70%	–

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in associates

(1) Details of associates are as follows:

Name of associate	Form of business structure	Place of registration and business	Registered capital	The Group's effective interest			Principal activity
				The Group's effective interest	Held by the Company	Held by subsidiary	
Associates							
Emeishan Jinkun Micro-credit Co., Ltd. (峨眉山市金坤小額貸款有限公司)	Limited liability company	The PRC	200,000,000	20%	20%	–	Authorized financial and consulting services
Yibin Xuzhou District Jinkun Micro-credit Co., Ltd. (宜賓市敘州區金坤小額貸款有限公司)	Limited liability company	The PRC	400,000,000	25%	25%	–	Authorized financial and consulting services
Pingshan Jinping Real Estate Development Co., Ltd (屏山金屏房地產開發有限公司)	Limited liability company	The PRC	28,320,000	49%	–	49%	Property investment, agency and management service
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限責任公司)	Limited liability company	The PRC	32,000,000	49%	–	49%	Power generation
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	Limited liability company	The PRC	22,000,000	49%	49%	–	Power supply
Shenzhen CEGN Co., Ltd.* (深圳市車電網絡有限公司)	Limited liability company	The PRC	210,000,000	15%	15%	–	New energy vehicle charging service

\* The Group dispatches a director to Shenzhen CEGN Co., Ltd., and is entitled to substantial decision-making power. The Group imposes a significant impact on the company through the participation in formulation of the company's financial and operating policies by appointing directors.

(2) Combined financial information of insignificant joint ventures and associates is as follows:

Item	2024	2023
<b>Associates:</b>		
– Insignificant associates	350,904,753.18	369,606,254.81
Subtotal	350,904,753.18	369,606,254.81
Less: Provision for impairment	345,000.00	345,000.00
Total	350,559,753.18	369,261,254.81
<b>Associates:</b>		
Aggregate carrying amount of investments	350,559,753.18	369,261,254.81
Total amounts calculated based on shareholding proportions		
– Net (loss)/profit	(5,444,082.67)	4,628,076.16
– Total comprehensive income	(5,444,082.67)	4,628,076.16



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Group is exposed to financial instruments risks during its ordinary activities, primarily including:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note mainly presents information about the Group's exposure to each of the above risks and their sources, their changes during the year, as well as the Group's objectives, policies and processes for risk management, the method used in measuring risk, and their changes during the year.

The objectives of the Group's risk management are to seek appropriate balance between the risks and benefits, and to mitigate the adverse effects that the risks of financial instruments may have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate and acceptable risk limits and design corresponding internal controls processes, and to monitor risks. The Group regularly reviews risk management policies and the relevant internal control systems to cope with the changes in market conditions and the Group's operating activities. The internal audit department of the Group undertakes both regular and random inspection of the internal control system for its compliance with risk management policies.

### 1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash and bank balances, accounts receivable, contract assets, other receivables, etc. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

The maximum exposure to credit risk of the Group is represented by the carrying amount of each financial asset (including derivative financial instruments) in the balance sheet.

#### (1) Accounts receivable and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry, country or area in which the customers operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, 14.81% (2023: 9.92%) of the total accounts receivable and contract assets was due from the five largest customers of the Group.

In respect of accounts receivable, the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and their bank credit records where available. Normally, the Group does not obtain collateral from customers.

More details of accounts receivable and contract assets, please see Note V.3 and 7.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 2. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands, (subject to approval by the Company's Board when the borrowings exceed certain predetermined levels of authority). The Group's policy is to regularly monitor its short-term and long-term liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at 31 December) and the earliest date the Group can be required to pay:

2024 undiscounted contractual cash flow						Carrying amount at balance sheet date
Item	Within 1 year or on demand	1 to 2 years	2 to 5 years	More than 5 years	Total	
Short-term borrowings	100,828,493.15	-	-	-	100,828,493.15	100,000,000.00
Non-current liabilities due within one year	37,329,817.55	-	-	-	37,329,817.55	37,049,226.65
Accounts payable	1,131,408,083.90	-	-	-	1,131,408,083.90	1,131,408,083.90
Other payables	188,513,138.29	-	-	-	188,513,138.29	188,513,138.29
Lease liabilities	-	1,553,507.55	2,102,731.94	870,198.59	4,526,438.08	3,989,638.55
Long-term borrowings	37,665,470.00	359,684,000.00	203,000,000.00	-	600,349,470.00	557,440,000.00
<b>Total</b>	<b>1,495,745,002.89</b>	<b>361,237,507.55</b>	<b>205,102,731.94</b>	<b>870,198.59</b>	<b>2,062,955,440.97</b>	<b>2,018,400,087.39</b>

2023 undiscounted contractual cash flow						Carrying amount at balance sheet date
Item	Within 1 year or on demand	1 to 2 years	2 to 5 years	More than 5 years	Total	
Short-term borrowings	157,288,356.16	-	-	-	157,288,356.16	150,000,000.00
Notes payable	149,999,930.97	-	-	-	149,999,930.97	149,999,930.97
Non-current liabilities due within one year	37,063,373.62	-	-	-	37,063,373.62	36,122,122.20
Accounts payable	786,663,444.29	-	-	-	786,663,444.29	786,663,444.29
Other payables	159,833,143.25	-	-	-	159,833,143.25	159,833,143.25
Lease liabilities	-	2,017,197.03	1,472,483.55	715,378.78	4,205,059.36	3,558,682.06
Long-term borrowings	6,105,204.25	29,679,650.00	312,458,367.81	-	348,243,222.06	323,500,000.00
<b>Total</b>	<b>1,296,953,452.54</b>	<b>31,696,847.03</b>	<b>313,930,851.36</b>	<b>715,378.78</b>	<b>1,643,296,529.71</b>	<b>1,609,677,322.77</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Interest rate risk

Interest-bearing financial instruments at fixed rates and at variable rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure.

(1) As at 31 December, the following interest-bearing financial instruments were held by the Group:

Fixed rate financial instruments:

Item	2024		2023	
	Effective interest rate	Amount	Effective interest rate	Amount
Financial liabilities				
– Lease liabilities	5%	(5,848,835.66)	5%	(5,812,474.71)
Total		(5,848,835.66)		(5,812,474.71)

Floating rate financial instruments:

Item	2024		2023	
	Effective interest rate	Amount	Effective interest rate	Amount
Financial liabilities				
– Monetary capital	0.10% – 0.35%	569,899,108.46	0.25% – 0.35%	500,263,848.63
Subtotal		569,899,108.46		500,263,848.63
Financial liabilities				
– Short-term borrowings	2.40% – 2.65%	(100,000,000.00)	2.60% – 3.20%	(150,000,000.00)
– Long-term borrowings	2.40% – 3.80%	(557,440,000.00)	2.60% – 2.70%	(323,500,000.00)
– Long-term borrowings due within one year	2.40% – 3.80%	(22,940,000.00)	2.60% – 2.70%	(21,000,000.00)
Subtotal		(680,380,000.00)		(494,500,000.00)
Total		(110,480,891.54)		5,763,848.63

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

### 3. Interest rate risk (continued)

#### (2) Sensitivity analysis

At 31 December 2024, for floating rate financial liabilities, it is assumed that a 100 basis points increase (decrease) in interest rates would result in a decrease (increase) in the Group's shareholders' equity and net profit of RMB5,102,850.00 (2023: RMB3,551,250.00), with all other variables held constant.

The sensitivity analysis above indicates the instantaneous change in the net profit and shareholders' equity that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and shareholders' equity is estimated as an annualized impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the previous year.

### 4. Foreign exchange risk

In respect of cash and bank balances, accounts receivable and payable, short-term borrowings and other assets and liabilities denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

- (1) As at 31 December, the Group's exposure to currency risk arising from recognized assets or liabilities denominated in foreign currencies is presented in the following tables. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date.

	2024		2023	
	Foreign currency balance	RMB equivalent	Foreign currency balance	RMB equivalent
Cash at bank and on hand and gross balance sheet exposure – HKD	6,837,593.62	6,331,885.20	7,656,954.83	6,938,885.60

- (2) The followings are the exchange rates for Renminbi against foreign currencies applicable to the Group:

	Average exchange rate		Reporting date mid-spot rate	
	2024	2023	2024	2023
HKD	0.91584	0.89807	0.92604	0.90622

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

#### 4. Foreign exchange risk (continued)

##### (3) Sensitivity analysis

Assuming all other risk variables remained constant, a 5% strengthening of the Renminbi against the HK dollar at 31 December would have decreased the Group's and the Company's shareholders' equity and net profit by RMB237,445.70 (2023: RMB260,208.21).

A 5% weakening of the Renminbi against the HK dollar at 31 December would have had the equal but opposite effect on the shareholders' equity and net profit to the amounts shown above, on the basis that all other variables remained constant.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which exposed the Group to foreign currency risk at the balance sheet date. The analysis above excludes description of other risk exposures. The analysis is performed on the same basis using identical methods for previous year.

### IX. FAIR VALUE DISCLOSURE

The following table presents the fair value information and the hierarchy of fair value measurement at the end of the Reporting Period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which the result of fair value measurement is categorized is determined by the lowest level input that is significant to the entire fair value measurement. The three levels of input are defined as follows:

Level 1 inputs:	unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;
Level 2 inputs:	inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;
Level 3 inputs:	inputs that are unobservable for underlying assets or liabilities.



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## IX. FAIR VALUE DISCLOSURE (CONTINUED)

### 1. Closing fair value of assets and liabilities measured at fair value

Item	31 December 2024			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Other non-current financial assets				
Equity instruments investment	-	-	170,250.00	170,250.00
Total assets measured at fair value on a recurring basis	-	-	170,250.00	170,250.00

Item	31 December 2023			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Other non-current financial assets				
Equity instruments investment	-	-	170,250.00	170,250.00
Total assets measured at fair value on a recurring basis	-	-	170,250.00	170,250.00

### 2. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurement categorised within Level 3

The valuation of the Group's assets and liabilities measured at fair value in Level 3 on a recurring and non-recurring basis is performed by a dedicated team headed by the finance manager, which reports directly to the chief financial officer and the Audit Committee. The team prepares an analysis report of changes in fair value measurements at mid-term and end of each year, which shall be reviewed and approved by the chief financial officer. The team discusses the valuation process and results with the chief financial officer and the Audit Committee at mid-year and year-end.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## IX. FAIR VALUE DISCLOSURE (CONTINUED)

### 3. Reconciliation of the opening carrying amount to the closing carrying amount, and sensitivity analysis on unobservable inputs for recurring fair value measurements in Level 3

Reconciliation of the opening carrying amount to the closing carrying amount for recurring fair value measurements in Level 3 is as follows:

		Total gains or losses for the year				Purchase, issuance, sale and settlement					Unrealised gains or losses for the year on assets held and liabilities assumed at the end of the year included in profit or loss
	Opening balance	Transfer into Level 3	Transfer out of Level 3	Included in profit or loss	Included in other comprehensive income	Purchase	Issuance	Sale	Settlement	Closing balance	
2024											
Assets											
Other non-current financial assets	170,250.00	-	-	-	-	-	-	-	-	170,250.00	-
Including: Investment in equity instruments	170,250.00	-	-	-	-	-	-	-	-	170,250.00	-
Total	170,250.00	-	-	-	-	-	-	-	-	170,250.00	-
		Total gains or losses for the year				Purchase, issuance, sale and settlement					Unrealised gains or losses for the year on assets held and liabilities assumed at the end of the year included in profit or loss
	Opening balance	Transfer into Level 3	Transfer out of Level 3	Included in profit or loss	Included in other comprehensive income	Purchase	Issuance	Sale	Settlement	Closing balance	
2023											
Assets											
Other non-current financial assets	170,250.00	-	-	-	-	-	-	-	-	170,250.00	-
Including: Investment in equity instruments	170,250.00	-	-	-	-	-	-	-	-	170,250.00	-
Total	170,250.00	-	-	-	-	-	-	-	-	170,250.00	-

Note: The details of the above gains or losses recognized in profit or loss or other comprehensive income for the year are as follows:

Item	2024	2023
Realised gains or losses included in profit or loss for the year		
– Investment income	-	-
Unrealised gains or losses included in profit or loss for the year		
– Gains on changes in fair value	-	-
Total	-	-

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## IX. FAIR VALUE DISCLOSURE (CONTINUED)

### 4. Changes in valuation technique during the year and reasons for changes

In 2024, there was no change in the valuation technique for fair value of the above assets and liabilities measured at fair value on a recurring and non-recurring basis in level 3.

### 5. Fair value of financial assets and financial liabilities not measured at fair value

Except for the above investments in equity instruments measured at fair value, there were no significant differences between the carrying amounts and fair values of each of the Group's financial assets and financial liabilities as at 31 December.

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

### 1. The parent company of the Company

Name of the parent company	Place of incorporation	Business nature	Registered capital	Shareholding percentage of the parent company in the Company (%)	Percentage of voting rights of the parent company in the Company (%)	Ultimate controlling party of the Company
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	Chengdu, Sichuan province	Electricity and thermal power production and supply	RMB2,828.18 million	36.71 %	36.71 %	Sichuan Development (Holding) Co., Ltd. (四川發展(控股)有限責任公司)

### 2. Subsidiaries of the Company

Please refer to Note VII.1 for details of the subsidiaries of the Group.

### 3. Joint ventures and associates of the Company

Please refer to Note VII.2 for details of significant associates of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 4. Other related parties

Name of other related party	Relationship
Sichuan Energy Investment Group Co., Ltd. (四川省能源投資集團有限責任公司)	The parent company of Sichuan Province Hydropower Investment and Management Group Co., Ltd.
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Integrated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Jinding Industrial Finance Holding Group Co., Ltd. (四川能投金鼎產融控股集團有限公司)	Under common control of the ultimate controlling party
Zizhong Guangda Electric Engineering Co., Ltd. (資中光達電力工程有限公司)	Under common control of the ultimate controlling party
Yunnan Yiliangruiyuan Hydropower Development Co., Ltd. (雲南彝良瑞源水電開發有限公司)	Under common control of the ultimate controlling party
Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Integrated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	Under common control of the ultimate controlling party
Sichuan Yilian Construction Project Management Co., Ltd. (四川億聯建設工程項目管理有限公司)	Under common control of the ultimate controlling party
Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	Under common control of the ultimate controlling party
Yibin Zhangwo Power Generation Co., Ltd. (宜賓張窩發電有限公司) (Note 1)	Under common control of the ultimate controlling party
Shuifu Hongli Power Generation Co., Ltd. (水富泓力發電有限公司) (Note 2)	Under common control of the ultimate controlling party
Sichuan Xinli Lighting Co., Ltd. (四川新力光源股份有限公司)	Under common control of the ultimate controlling party
Sichuan Changning Natural Gas Development Co., Ltd. (四川長寧天然氣開發有限責任公司)	Associate of the ultimate controlling party

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 4. Other related parties (continued)

Name of other related party	Relationship
Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	Significant investor
Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	Subsidiary of significant investor
Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	Subsidiary of significant investor
Gao County Urban-rural Investment Development and Construction Co., Ltd. (高縣城鄉投資開發建設有限責任公司)	Subsidiary of significant investor
Gao County Fenghui Grain and Edible Oil Co., Ltd. (高縣豐匯糧油有限責任公司)	Subsidiary of significant investor
Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	Subsidiary of significant investor
Gao County Agricultural Culture Tourism Industry Investment Management Co., Ltd. (高縣農業文化旅遊產業投資經營管理有限責任公司)	Subsidiary of significant investor
Yibin Xuzhou District Tianquan Water Supply Co., Ltd. (宜賓市敘州區天泉供水有限責任公司)	Subsidiary of significant investor
Gao County Public Resources Service Management Co., Ltd. (高縣公共資源服務管理有限責任公司)	Subsidiary of significant investor
Yibin Siliya Group Co., Ltd. (宜賓絲麗雅集團有限公司)	Subsidiary of significant investor
Gao County Huize Water Conservancy Development Co., Ltd. (高縣惠澤水利開發有限責任公司)	Subsidiary of significant investor
Sichuan Province Hydropower Investment and Management Group Zizhong Longyuan Electricity Co., Ltd. (四川省水電投資經營集團資中龍源電力有限公司)	Under common control of the ultimate controlling party
Sichuan Nengtou Yundian Technology Co., Ltd. (四川能投雲電科技有限公司)	Under common control of the ultimate controlling party
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (叙永縣江門新區電力開發有限責任公司)	Associate
Pingshan Jinping Real Estate Development Co., Ltd. (屏山金屏房地產開發有限公司)	Associate
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	Associate
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	Associate

Note 1: In April 2024, Sichuan Energy Investment Jinding Industrial Finance Holding Group Co., Ltd. ("Energy Investment Jinding"), which is under the control of the same ultimate controlling party as the Group, notified the Group that Energy Investment Jinding and Shenzhen Aizhong Capital Management Co., Ltd. (深圳愛眾資本管理有限公司) acquired the entire equity interest in Yibin Zhangwo Power Generation Co., Ltd. ("Yibin Zhangwo") and Shuifu Hongli Power Generation Co., Ltd. ("Shuifu Hongli") in January and February 2023. After the acquisition, Energy Investment Jinding holds 66.67% of the shares of both Yibin Zhangwo and Shuifu Hongli and has substantive control over them. Since then, Yibin Zhangwo and Shuifu Hongli have become related parties of the Group. Accordingly, the Group has presented the transaction amounts with Yibin Zhangwo and Shuifu Hongli from January and February 2023 as the transaction amounts of Yibin Zhangwo and Shuifu Hongli, and the current balances of trade payables with Yibin Zhangwo and Shuifu Hongli as at 31 December 2023 as the balances of Yibin Zhangwo and Shuifu Hongli.



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Related party transactions

#### (1) Purchases of goods/receipt of services (excluding remuneration of key management personnel)

##### The Group

Content of related	Related party transaction	2024	2023
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限公司)	Purchase of electricity	4,433,314.05	3,998,577.26
Yunnan Yiliangruiyuan Hydropower Development Co., Ltd. (雲南彝良瑞源水電開發有限公司)	Purchase of electricity	10,680,344.59	10,411,126.28
Sichuan Energy Investment Integrated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	Construction payments	7,437,086.82	–
Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	Purchase of electricity	57,038.26	–
Yibin Zhangwo Power Generation Co., Ltd. (宜賓張窩發電有限公司)	Purchase of electricity	66,238,184.84	59,541,056.22
Shuifu Hongli Power Generation Co., Ltd. (水富泓力發電有限公司)	Purchase of electricity	31,364,766.57	32,865,898.25
Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事古實業有限公司)	Property catering	5,583,417.67	7,717,073.91
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	Use of rural power grid assets	30,892,158.86	29,622,616.12
Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	Construction payments	78,569,594.75	45,268,076.53
Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	Construction and materials payments	4,748,303.98	2,936,520.69
Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	Construction and materials payments	62,349,708.04	45,159,755.20
Sichuan Yilian Construction Project Management Co., Ltd. (四川億聯建設工程項目管理有限公司)	Construction payments	2,459,943.20	372,400.63
Sichuan Energy Consolidated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	Construction payments	–	2,679,460.76
Sichuan Nengtou Yundian Technology Co., Ltd. * (四川能投雲電科技有限公司)	Construction payments	306,953.15	8,359,313.93
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	Material and equipment payments	2,397,192.64	1,649,557.51
Sichuan Xinli Lighting Co., Ltd. (四川新力光源股份有限公司)	Purchase of materials and equipment	155,920.35	–
Pingshan Jinping Real Estate Development Co., Ltd (屏山金屏房地產開發有限公司)	Purchase of housing	–	33,809,523.81
Total		307,673,927.77	284,390,957.10

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Related party transactions (continued)

#### (1) Purchases of goods/receipt of services (excluding remuneration of key management personnel) (continued)

On 18 March 2025 (after trading hours), the Group has entered into the 2024 Rural Power Grid Assets Usage Agreement (the "Usage Agreement") with the parent company to retrospectively acknowledge and confirm the transaction amounts for the 2024 rural power grid usage fees actually incurred with the Hydropower Group, pursuant to which the Group have the rights to use the above-mentioned rural power grid assets owned by the parent company after the relevant part of these rural power grid assets connecting to the Group's power grid. The annual usage fee payable by the Group to the parent company is calculated based on the volume of the Group's electricity transmitting through the parent company's rural power grid multiplied by the unit usage price as stipulated in the usage agreement.

On 28 December 2021, Sichuan Energy Investment Gong County Electricity Co., Ltd. (四川能投珙縣電力有限公司) ("Gong County Electricity") entered into the 2022 power purchase and sales contract with Yunnan Yiliangruiyuan Hydropower Development Co., Ltd. (雲南彝良瑞源水電開發有限公司) ("Yiliangruiyuan Hydropower") for a fixed term of three years commencing from 1 January 2022 and ending on 31 December 2024, pursuant to which, Yiliangruiyuan Hydropower agreed to supply electricity to Gong County Electricity. The unit price of electricity payable by Gong County Electricity shall be RMB0.32 per kwh (inclusive of tax), which is determined on the basis of the price of electricity Gong County Electricity purchased electricity from other relatively small independent third-party electricity suppliers in Yunnan Province, the PRC, and subject to the adjustment under Notice of the Sichuan Development and Reform Commission on Adjusting the Relevant Issues Concerning Electricity Price Policy for the Water-sufficient and Water-deficit Seasons and Peak and Off-peak Hours of the Power Grid in Sichuan Province\* (《四川省發展改革委關於調整四川電網豐枯峰穀電價政策有關事項的通知》). The amount of purchase of electricity shall be the unit price of electricity, namely RMB0.32 per kwh, multiplied by the actual volume of on-grid electricity supplied by Yiliangruiyuan Hydropower to Gong County Electricity.

On 16 May 2024, the Group entered into the Yibin Zhangwo Electricity Purchase Framework Agreement and the Shuifu Hongli Electricity Purchase Framework Agreement with Yibin Zhangwo and Shuifu Hongli, respectively, pursuant to which Yibin Zhangwo and Shuifu Hongli have agreed to supply electricity to the Group from the commencement date of the relevant agreements to 31 December 2026. The unit prices of electricity payable by the Group to Yibin Zhangwo and Shuifu Hongli are RMB0.288 per kWh and RMB0.32 per kWh (inclusive of tax) respectively, which are determined based on the historical unit prices of electricity purchased by the Group from Yibin Zhangwo Power Station and the Dayukong Power Station, the unit prices of electricity received by other independent third parties, and the average unit price of electricity to be received by each of State Grid Corporation of China (國家電網有限公司) and China Southern Power Grid Company Limited (中國南方電網有限責任公司) for the year 2023 and subject to the adjustment accordance with the Notice of the Sichuan Development and Reform Commission on Adjusting the Relevant Issues Concerning Electricity Price Policy for the Water-sufficient and Water-deficit Seasons and Peak and Off-peak Hours of the Power Grid in Sichuan Province\* (《四川省發展改革委關於調整四川電網豐枯峰穀電價政策有關事項的通知》). The amount of electricity purchased shall be the unit price of electricity multiplied by the actual volume of on-grid electricity supplied to the Group by Yibin Zhangwo and Shuifu Hongli respectively.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Related party transactions (continued)

#### (2) Sales of goods/Rendering of services

##### The Group

Related party	Content of related party transaction	2024	2023
Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	Sales of electricity	244,691.73	739,011.73
Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	Construction payments	2,553,328.80	2,056,000.09
Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	Sales of electricity	329,459.50	313,067.85
Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	Construction payments	–	314,591.11
Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	Sales of electricity	3,828,701.43	2,943,442.28
Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	Construction payments	407,978.43	207,156.33
Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	Sales of electricity	4,794,220.89	68,587.20
Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	Construction payments	303,490.09	1,053,668.90
Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	Sales of electricity	42,697.77	68,845.84
Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	Construction payments	17,155.96	–
Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	Sales of electricity	–	2,479,314.37
Sichuan Changning Natural Gas Development Co., Ltd. (四川長寧天然氣開發有限責任公司)	Sublease service fee	5,859,815.04	5,859,815.04
Sichuan Changning Natural Gas Development Co., Ltd. (四川長寧天然氣開發有限責任公司)	Construction payments	–	1,485,375.33
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	Maintenance of rural power grid assets	13,280,171.77	13,624,276.70
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	Materials payments	1,739,700.89	–
Sichuan Province Hydropower Investment and Management Group Zizhong Longyuan Electricity Co., Ltd. (四川省水電投資經營集團資中龍源電力有限公司)	Construction and materials payments	–	13,524,793.05
Gao County Fenghui Grain and Edible Oil Co., Ltd. (高縣豐匯糧油有限責任公司)	Sales of electricity	276,198.48	185,287.66
Gao County Public Resources Service Management Co., Ltd. (高縣公共資源服務管理有限責任公司)	Construction payments	995,883.49	722,060.09

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 5. Related party transactions (continued)

#### (2) Sales of goods/Rendering of services (continued)

Related party	Content of related party transaction	2024	2023
Pingshan Jinping Real Estate Development Co., Ltd. (屏山金屏房地產開發有限公司)	Construction payments	–	484,305.19
Gao County Urban-rural Investment Development and Construction Co., Ltd. (高縣城鄉投資開發建設有限責任公司)	Construction payments	3,229,468.70	1,833,470.28
Gao County Agricultural Culture Tourism Industry Investment Management Co., Ltd. (高縣農業文化旅遊產業投資經營管理有限責任公司)	Construction payments	105,710.27	217,064.22
Yibin Xuzhou District Tianquan Water Supply Co., Ltd. (宜賓市敘州區天泉供水有限責任公司)	Construction payments	784,253.58	56,017.44
Gao County Huize Water Conservancy Development Co., Ltd. (高縣惠澤水利開發有限責任公司)	Construction payments	70,017.43	–
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	Agency service fee	784,336.10	69,928.30
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	Charging pile electricity fee	1,439,046.17	1,001,800.06
Total		41,086,326.52	49,307,879.06

On 18 March 2025 (after trading hours), the Group has entered into the 2024 Rural Power Grid Assets Management and Maintenance Agreement with its parent company to retrospectively recognize and acknowledge the amount of the 2024 Rural Power Grid Assets Management and Maintenance Agreement and maintenance fee transaction actually incurred with Hydropower Group, pursuant to which the Group agreed to provide management and maintenance service for certain rural power grid assets owned by the parent company in the areas where the Group operates its business. The annual service fee payable by the parent company to the Group is determined based on negotiation by reference to the “Cost Standards of Overhaul, Maintenance, Operation and Management for Power Grid and Generation of Electric Power Companies in Sichuan (Chuan Dian Caiwu [2010] No. 29)” (《四川省電力公司電網及發電檢修運維和運營管理成本標準》(川電財務[2010]29號)) issued by State Grid Sichuan Electric Power Company and the prevailing market price during the term of the agreement.

#### (3) Remuneration of key management personnel

##### The Group

Item	2024	2023
Remuneration of key management personnel	8,822,238.41	10,031,499.60

##### The Company

Item	2024	2023
Remuneration of key management personnel	8,822,238.41	10,031,499.60



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 6. Amounts due from/to related parties

#### Amounts due from related parties

##### The Group

Item	Related party	2024	2023
Accounts receivable	Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	2,010,788.93	5,337,914.75
	Sichuan Changning Natural Gas Development Co., Ltd. (四川長寧天然氣開發有限責任公司)	99,960.00	99,960.00
	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	22,034,531.62	15,008,314.00
	Sichuan Province Hydropower Investment and Management Group Zizhong Longyuan Electricity Co., Ltd. (四川省水電投資經營集團資中龍源電力有限公司)	4,784,857.74	10,906,910.20
	Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	3,281,748.89	3,154,658.40
	Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	831,396.27	—
	Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	—	2,997,193.81
	Gao County Public Resources Service Management Co., Ltd. (高縣公共資源服務管理有限責任公司)	826,300.00	720,545.50
	Pingshan Jinping Real Estate Development Co., Ltd. (屏山金屏房地產開發有限公司)	—	119,449.64
	Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	85,669.30	1,343,950.30
	Gao County Urban-rural Investment Development and Construction Co., Ltd. (高縣城鄉投資開發建設有限責任公司)	5,768,575.00	8,275,332.44
	Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	—	516,427.50
	Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	1,088,748.55	15,739.17
	Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	18,700.00	4,550.56
	Gao County Agricultural Culture Tourism Industry Investment Management Co., Ltd. (高縣農業文化旅遊產業投資經營管理有限責任公司)	56,010.00	—
	Yibin Xuzhou District Tianquan Water Supply Co., Ltd. (宜賓市敘州區天泉供水有限責任公司)	100,163.80	—
Total		40,987,450.10	48,500,946.27



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 6. Amounts due from/to related parties (continued)

#### Amounts due from related parties (continued)

##### The Group (continued)

Item	Related party	2024	2023
<b>Contract assets</b>	Yibin Xuzhou District Tianquan Water Supply Co., Ltd. (宜賓市敘州區天泉供水有限責任公司)	–	16,021.03
	Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	700,181.03	700,181.03
	Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	224,622.64	95,049.22
	Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	1,418,199.87	638,748.75
	Gao County Urban-rural Investment Development and Construction Co., Ltd. (高縣城鄉投資開發建設有限責任公司)	64,171.63	10,635.41
	Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	257,837.24	261,482.35
	Total	2,665,012.41	1,722,117.79
<b>Other receivables</b>	Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	3,255,965.74	189,308.64
	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	11,171,638.46	3,646,681.27
	Pingshan Jinping Real Estate Development Co., Ltd. (屏山金屏房地產開發有限公司)	11,856,708.32	222,160.92
	Sichuan Energy Consolidated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	20,263.09	–
	Yibin Siliya Group Co., Ltd. (宜賓絲麗雅集團有限公司)	5,000.00	–
	Total	26,309,575.61	4,058,150.83
<b>Prepayments</b>	Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	541,836.60	66,292.20
	Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	8,705,890.97	90,722.22
	Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	11,576,140.76	2,204,155.93
	Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	2,147,366.83	349,997.33
	Sichuan Yilian Construction Project Management Co., Ltd. (四川億聯建設工程項目管理有限公司)	323,973.30	–
	Total	23,295,208.46	2,711,167.68

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

#### 6. Amounts due from/to related parties (continued)

##### Amounts due to related parties

##### The Group

Item	Related party	2024	2023
<b>Accounts payable</b>	Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限責任公司)	<b>370,016.67</b>	–
	Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	<b>40,939,936.42</b>	14,452,886.11
	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	<b>45,660,845.35</b>	34,089,979.94
	Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	<b>16,409,313.39</b>	68,575,661.02
	Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	<b>921,957.56</b>	528,768.66
	Sichuan Energy Consolidated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	<b>865,004.89</b>	696,947.30
	Sichuan Yilian Construction Project Management Co., Ltd. (四川億聯建設工程項目管理有限公司)	–	132,860.00
	Pingshan Jinping Real Estate Development Co., Ltd (屏山金屏房地產開發有限公司)	–	3,550,000.00
	Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	<b>363,678.61</b>	1,313,891.07
	Yibin Zhangwo Power Generation Co., Ltd. (宜賓張窩發電有限公司)	<b>7,539,053.88</b>	–
	Shuifu Hongli Power Generation Co., Ltd. (水富泓力發電有限公司)	<b>3,521,729.88</b>	1,795,907.52
	Sichuan Xinli Lighting Co., Ltd. (四川新力光源股份有限公司)	<b>123,333.00</b>	–
	<b>Total</b>	<b>116,714,869.65</b>	125,136,901.62

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 6. Amounts due from/to related parties (continued)

#### *Amounts due to related parties (continued)*

##### The Group (continued)

Item	Related party	2024	2023
Other payables	Sichuan Yilian Construction Project Management Co., Ltd. (四川億聯建設工程項目管理有限公司)	1,005,685.92	18,868.53
	Zizhong Guangda Electric Engineering Co., Ltd. (資中光達電力工程有限公司)	261,465.67	261,465.67
	Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	4,227,596.36	19,308,486.54
	Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	645,322.67	1,060,385.38
	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	6,958,152.61	1,147,977.44
	Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	3,515,950.60	2,994,240.73
	Sichuan Energy Investment Integrated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	1,764,214.50	1,789,866.00
	Sichuan Natural Gas Investment Group Co., Ltd. (四川省天然氣投資集團有限責任公司)	77,408.34	—
	Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	1,880,000.00	—
	Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	222,826.51	—
	Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	80,000.00	—
Total		20,638,623.18	26,581,290.29

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

#### 6. Amounts due from/to related parties (continued)

##### *Amounts due to related parties (continued)*

##### The Group (continued)

Item	Related party	2024	2023
<b>Contract liabilities</b>			
	Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	775,281.52	177,688.88
	Water Conservancy and Hydropower Engineering Co., Ltd. of Sichuan Energy Investment Construction Engineering Group (四川能投建工集團水利水電工程有限公司)	—	1,531.82
	Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	14,571.57	61,946.90
	Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	172,295.18	39,936.21
	Gao County Fenghui Grain and Edible Oil Co., Ltd. (高縣豐匯糧油有限責任公司)	44,247.79	44,247.79
	Sichuan Province Hydropower Investment and Management Group Zizhong Longyuan Electricity Co., Ltd. (四川省水電投資經營集團資中龍源電力有限公司)	1,349,349.36	1,349,349.36
	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	4,023,435.24	—
	Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	225.36	—
	Total	6,379,406.02	1,674,700.96
<b>Special payables</b>			
	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	721,707,700.00	545,981,000.00

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

### 7. Transactions with other government-related entities in the PRC

The Group is a state-controlled entity and operates in an economic regime currently dominated by entities directly or indirectly owned or controlled by the PRC government and numerous government authorities and agencies (collectively referred to as “government-related entities”). Apart from transactions mentioned above, the Group conducts a majority of its business activities with other government-related entities in the ordinary course of business. During the reporting year, the Group had transactions with other government-related entities including, but not limited to purchase and sales of electricity, providing construction work services, deposits and borrowings, purchase of materials and receiving construction work services. The directors of the Company consider that the transactions with these government-related entities are conducted in the ordinary course of the Group’s business on terms comparable to those with other entities that are not state-owned. The tariff of electricity is regulated by relevant government authorities. The Group prices its other services and products based on commercial negotiations. The Group has also established its pricing policies for products and services and financing policy for borrowing. Such pricing policies and financing policy do not depend on whether the counterparties are government-related entities or not. Having due regard to the substance of the relationships, we are of the opinion that none of these transactions individually or collectively are significant related party transactions that require separate disclosure.

### 8. Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of the use services of rural power grid assets purchased by the Group from the parent company, the maintenance services for rural power grid assets provided by the Group to the parent company, the sub-leasing services provided by the Group to Sichuan Changning Natural Gas Development Co., Ltd., the property catering services purchased by the Group from Sichuan Energy Investment Baishiji Industries Co., Ltd., purchase of electricity by the Group from Yibin Zhangwo, purchase of electricity by the Group from Shuifu Hongli and the purchase of electricity from Yiliangruiyuan Hydropower constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in sections “Non-exempt Continuing Connected Transactions” of the Directors’ Report except those transactions which are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are sales of electricity on normal commercial terms in ordinary and usual course of business pursuant to Rule 14A.97, or financial assistance received pursuant to Rule 14A.90, or below the de minimis threshold pursuant to Rule 14A.76.

## XI. CAPITAL MANAGEMENT

The Group’s primary objectives of capital management are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk and by ensuring access to finance at reasonable financial costs.

The Group defines “capital” as shareholders’ equity plus borrowings by related parties with no fixed repayment term and less unrecognized dividends proposed for distribution. The Group’s capital excludes balances of related party transactions.

The Group’s capital structure is regularly reviewed and managed to achieve an optimal structure and returns to shareholders. The factors considered by the Group include: the Group’s capital requirements in the future, capital efficiency, actual and expected profitability, expected cash flow, and estimated capital expenditures. If any change of the economic conditions affects the Group, the Group will adjust its capital structure.

Neither the Company nor any of the Company’s subsidiaries are subject to external mandatory capital requirements.



## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### XII. COMMITMENTS AND CONTINGENCIES

#### 1. Significant commitments

##### (1) Capital commitments

Item	2024	2023
Contracted	249,937,305.28	73,852,517.30
Total	249,937,305.28	73,852,517.30

##### (2) Unrecognized commitments relating to investments in joint ventures

The Group has no unrecognized commitments relating to the investment in associates during the year.

#### 2. Contingency

The Group had not experienced any material contingency during the year.

##### (1) Contingent liability

The Group has no significant contingent liabilities during the year.

##### (2) Contingent assets

The Group has no material contingent assets during the year.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XIII. POST BALANCE SHEET DATE EVENTS

### 1. Material non-adjusting post balance sheet date events

Except for the dividend distribution disclosed in note V.51, the Group had not experienced any other material non-adjusting post balance sheet date event during the year.

### 2. Profit distribution after the balance sheet date

Item	Amount
Profit or dividend proposed for distribution	150,410,078.00

Dividend for ordinary shares proposed for distribution after the balance sheet date

On 26 March 2025, the Board proposed the payment of cash dividends of RMB0.14 per share (2023: RMB0.13 per share) by the Company to the ordinary shareholders, totaling RMB150,410,078.00 (2023: RMB139,666,501.00). This proposal is subject to approval by the shareholders' general meeting. Cash dividends proposed after the balance sheet date had not been recognized as liabilities at the balance sheet date.

## XIV. OTHER SIGNIFICANT EVENTS

### 1. Segment reporting

The directors of the Company have been identified as the Group's most senior executive management. Operating segments are identified from financial information provided regularly to the Group's most senior executive management reviews for the purpose of allocating resources and assessing the performance.

The Group is principally engaged in generating and supplying of power and provision of electrical engineering construction services in the PRC. The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, management considers the Group has only one operating segment and therefore, no segment information is presented.

The Group only operates in the Mainland China and accordingly, no geographical information is presented.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' remuneration

Name	Director's fees	Salaries, allowances and other benefits	Retirement scheme contributions	Total of 2024
<b>Executive Directors</b>				
Mr. He Jing	–	725,311.28	44,929.56	770,240.84
Mr. Li Hui	–	503,923.01	7,047.70	510,970.71
Mr. Wang Yuanchun	–	702,761.76	44,929.56	747,691.32
Ms. Xie Peixi	–	686,079.92	44,929.56	731,009.48
<b>Non-executive Directors</b>				
Mr. Tao Xueqing	–	–	–	–
Ms. Han Chunhong	–	–	–	–
Ms. Liang Hong	–	–	–	–
Mr. Zhao Gen	–	–	–	–
Ms. Lv Yan	–	–	–	–
Mr. Gao Bin	–	–	–	–
Mr. Kong Ce	–	–	–	–
<b>Independent non-executive Directors</b>				
Mr. Kin Kwong Kwok Gary	156,250.00	–	–	156,250.00
Mr. Siu Chi Hung	99,750.00	–	–	99,750.00
Mr. Wang Peng	93,750.00	–	–	93,750.00
Mr. Chen Chuan	59,250.00	–	–	59,250.00
Ms. He Zhen	87,500.00	–	–	87,500.00
Mr. Mou Yingshi	58,500.00	–	–	58,500.00
Mr. Li Jian	159,000.00	–	–	159,000.00
Ms. He Yin	100,000.00	–	–	100,000.00
<b>Supervisors</b>				
Mr. Su Lijiang	–	117,962.78	18,633.50	136,596.28
Ms. Fu Ruoxue	–	–	–	–
Ms. Tian Wenwei	–	101,280.10	12,258.27	113,538.37
Ms. Deng Ruipu	–	–	–	–
Ms. Wang Meng	–	–	–	–
Ms. Sun Hui	–	–	–	–
Ms. Li Jia	–	28,418.34	3,523.85	31,942.19
Mr. Liao Jun	–	–	–	–
<b>Total</b>	<b>814,000.00</b>	<b>2,865,737.19</b>	<b>176,252.00</b>	<b>3,855,989.19</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' remuneration (continued)

Name	Director's fees	Salaries, allowances and other benefits	Retirement scheme contributions	Total of 2023
<b>Executive Directors</b>				
Mr. Xiong Lin	—	632,008.71	14,095.40	646,104.11
Mr. He Jing	—	326,750.10	35,229.77	361,979.87
Mr. Li Hui	—	949,709.42	42,270.48	991,979.90
Ms. Xie Peixi	—	768,521.42	42,270.48	810,791.90
<b>Non-executive Directors</b>				
Ms. Li Yu	—	—	—	—
Mr. Tao Xueqing	—	—	—	—
Ms. Han Chunhong	—	—	—	—
Ms. Liang Hong	—	—	—	—
Ms. Lv Yan	—	—	—	—
Mr. Kong Ce	—	—	—	—
<b>Independent non-executive Directors</b>				
Mr. Kin Kwong Kwok Gary	250,000.00	—	—	250,000.00
Mr. Wang Peng	150,000.00	—	—	150,000.00
Ms. He Zhen	152,000.00	—	—	152,000.00
Mr. Li Jian	159,000.00	—	—	159,000.00
Ms. He Yin	81,000.00	—	—	81,000.00
<b>Supervisors</b>				
Ms. Li Jia	—	452,971.64	42,270.48	495,242.12
Ms. Fu Ruoxue	—	—	—	—
Mr. Liao Jun	—	270,503.94	42,270.48	312,774.42
Ms. Deng Ruipu	—	—	—	—
Ms. Wang Meng	—	—	—	—
Mr. Huang Yao	—	—	—	—
Ms. Sun Hui	—	—	—	—
<b>Total</b>	<b>792,000.00</b>	<b>3,400,465.23</b>	<b>218,407.09</b>	<b>4,410,872.32</b>

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

### 2. Directors' remuneration (continued)

- (1) During the year, no emoluments were paid by the Group to the directors or any of the five highest paid individuals set out in Note XIV.3 as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived or agreed to waive any emoluments during the year.
- (2) On 19 March 2024, Mr. Li Hui resigned as the deputy chairman and executive director; on 19 March 2024, Mr. Wang Yuanchun was appointed as the deputy chairman and executive director.
- (3) On 16 August 2024, Ms. Liang Hong and Ms. Lv Yan resigned as the non-executive directors of the Company; on 16 August 2024, Mr. Zhao Gen and Mr. Gao Bin were appointed as the non-executive directors of the Company.
- (4) On 16 August 2024, Mr. Kin Kwong Kwok Gary, Mr. Wang Peng and Ms. He Zhen resigned as the independent directors of the Company. On 16 August 2024, Mr. Siu Chi Hung, Mr. Chen Chuan and Mr. Mou Yingshi, were appointed as the independent directors of the Company.
- (5) On 29 January 2024, Ms. Li Jia and Mr. Liao Jun resigned as the employee representative supervisors of the Company; on 29 January 2024, Mr. Su Lijiang and Ms. Tian Wenwei were elected as the employee representative supervisors of the Company, and their term of office will commence from 29 January 2024 and end on 16 August 2024 when the term of office of the fourth session of the supervisory committee will expire on 4 July 2024 without receiving any remuneration from them for serving as the employee representative supervisors.

### 3. Individuals with highest emoluments

Of the five individuals (2023: a total of seven individuals, with three of them having the same emoluments) with the highest emoluments, three (2023: one) are directors whose emoluments are reflected in the above table. The aggregate of the emoluments in respect of the other two (2023: six) individuals are as follows:

Item	2024	2023
Salaries and other emoluments	<b>1,363,431.76</b>	4,638,128.52
Retirement scheme contributions	<b>89,859.12</b>	253,622.88
Total	<b>1,453,290.88</b>	4,891,751.40

The emoluments of the two (2023: six) individuals with the highest emoluments are within the following bands:

Item	2024 Number of individuals	2023 Number of individuals
Nil – HKD1,000,000	<b>2</b>	6
Total	<b>2</b>	6



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

### 1. Accounts receivable

(1) Accounts receivable by customer type is as follows:

Customer type	2024	2023
Receivable due from subsidiaries	29,894,940.50	26,316,114.70
Subtotal	29,894,940.50	26,316,114.70
Less: Provision for bad and doubtful debts	–	–
Total	29,894,940.50	26,316,114.70

(2) Accounts receivable by ageing is as follows:

Ageing	2024	2023
Within 1 year (inclusive)	29,894,940.50	26,316,114.70
Subtotal	29,894,940.50	26,316,114.70
Less: Provision for bad and doubtful debts	–	–
Total	29,894,940.50	26,316,114.70

The ageing is counted starting from the date when accounts receivable are recognized.

(3) *Accounts receivable by provision method*

Category	2024					2023				
	Book balance		Provision for bad and doubtful debts		Carrying amount	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad and doubtful debts on portfolio basis										
– Portfolio of related parties	29,894,940.50	100.00	–	–	29,894,940.50	26,316,114.70	100.00	–	–	26,316,114.70
Total	29,894,940.50	100.00	–	–	29,894,940.50	26,316,114.70	100.00	–	–	26,316,114.70

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

#### 2. Other receivables

	Note	2024	2023
Dividends receivable	(1)	–	108,844,080.48
Others	(2)	<b>1,905,062,906.35</b>	1,625,130,873.16
Total		<b>1,905,062,906.35</b>	1,733,974,953.64

##### (1) Dividends receivable

(a) Classification of dividends receivable:

Investee	2024	2023
Sichuan Energy Investment and Development Construction Co., Ltd. (四川能投發展建設有限公司)	–	108,844,080.48
Total	–	108,844,080.48

##### (2) Others

(a) Other receivables by customer type:

Customer type	2024	2023
Receivable due from subsidiaries	<b>1,899,675,744.35</b>	1,623,839,594.45
Others	<b>5,387,162.00</b>	1,291,278.71
Subtotal	<b>1,905,062,906.35</b>	1,625,130,873.16
Less: Provision for bad and doubtful debts	–	–
Total	<b>1,905,062,906.35</b>	1,625,130,873.16

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 2. Other receivables (continued)

#### (2) Others (continued)

(b) Other receivables by ageing are as follows:

Ageing	2024	2023
Within 1 year (inclusive)	533,694,172.15	668,369,016.57
1 to 2 years (inclusive)	487,851,916.84	132,550,000.00
2 to 3 years (inclusive)	132,549,700.00	81,098,438.06
Over 3 years	750,967,117.36	743,113,418.53
Subtotal	1,905,062,906.35	1,625,130,873.16
Less: Provision for bad and doubtful debts	—	—
Total	1,905,062,906.35	1,625,130,873.16

The ageing is counted starting from the date when other receivables are recognized.

(c) Other receivables by provision method

Category	2024					2023				
	Book balance		Provision for bad and doubtful debts		Carrying amount	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad and doubtful debts on portfolio basis										
– Portfolio 1	1,905,062,906.35	100.00	—	—	1,905,062,906.35	1,625,130,873.16	100%	—	—	1,625,130,873.16
Total	1,905,062,906.35	100.00	—	—	1,905,062,906.35	1,625,130,873.16	100%	—	—	1,625,130,873.16

The Company's other receivables were mainly borrowings and other current accounts of subsidiaries within the scope of consolidation, which the Company considers are recoverable at any time and no provision for bad and doubtful debts is required.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 3. Long-term equity investments

#### (1) Long-term equity investments by category:

Item	2024			2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	1,267,436,116.02	-	1,267,436,116.02	1,217,536,116.02	-	1,217,536,116.02
Investment in associates	287,578,938.73	-	287,578,938.73	292,188,694.92	-	292,188,694.92
Total	1,555,015,054.75	-	1,555,015,054.75	1,509,724,810.94	-	1,509,724,810.94

#### (2) Investment in subsidiaries

##### 2024

Name	Opening balance	Increase during the year	Decrease during the year	Closing balance	Provision for impairment during the year	Closing balance of provision for impairment
Sichuan Energy Power Investment Pingshan Electricity Co., Ltd. (四川能投屏山電力有限公司)	113,505,246.64	-	-	113,505,246.64	-	-
Sichuan Energy Investment Xingwen Electricity Co., Ltd. (四川能投興文電力有限公司)	97,349,923.01	-	-	97,349,923.01	-	-
Sichuan Energy Investment Gao County Electricity Co., Ltd. (四川能投高縣電力有限公司)	305,302,001.65	-	-	305,302,001.65	-	-
Sichuan Energy Investment Yibin Power Generation Co., Ltd. (四川能投宜賓發電有限公司)	3,000,000.00	-	-	3,000,000.00	-	-
Sichuan Energy Investment Yibin Xuzhou Electricity Co., Ltd. (四川能投宜賓市敘州電力有限公司)	60,000,000.00	-	-	60,000,000.00	-	-
Sichuan Energy Investment Gong County Electricity Co., Ltd. (四川能投珙縣電力有限公司)	44,763,745.89	-	-	44,763,745.89	-	-
Sichuan Energy Investment Junlian Electricity Co., Ltd. (四川能投筠連電力有限公司)	40,000,000.00	-	-	40,000,000.00	-	-
Shuifu Yangliutan Power Generation Co., Ltd. (水富楊柳灘發電有限公司)	340,314,958.06	-	-	340,314,958.06	-	-
Sichuan Energy Investment and Development Construction Co., Ltd. (四川能投發展建設有限公司)	101,100,240.77	-	-	101,100,240.77	-	-
Sichuan Energy Investment Electricity Energy Co., Ltd. (四川能投電能有限公司)	74,000,000.00	-	-	74,000,000.00	-	-

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 3. Long-term equity investments (continued)

#### (2) Investment in subsidiaries (continued)

2024

Name	Opening balance	Increase during the year	Decrease during the year	Closing balance	Provision for impairment during the year	Closing balance of provision for impairment
Sichuan Energy Investment Gao County Integrated Energy Co., Ltd. (四川能投高縣綜合能源有限公司)	12,000,000.00	-	-	12,000,000.00	-	-
Sichuan Energy Investment Junlian Green Energy Co., Ltd. (四川能投筠連綠色能源有限公司)	16,000,000.00	-	-	16,000,000.00	-	-
Sichuan Energy Investment Changning Green Energy Co., Ltd. (四川能投長寧綠色能源有限公司)	10,200,000.00	15,300,000.00	-	25,500,000.00	-	-
Sichuan Energy Xingwen Clean Energy Technology Co., Ltd. (四川能投興文清潔能源科技有限公司)	-	27,600,000.00	-	27,600,000.00	-	-
Sichuan Energy Investment Xingwen Green Energy Co., Ltd. (四川能投興文綠色能源有限公司)	-	7,000,000.00	-	7,000,000.00	-	-
Total	1,217,536,116.02	49,900,000.00	-	1,267,436,116.02	-	-



# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 3. Long-term equity investments (continued)

#### (2) Investment in subsidiaries (continued)

2023

Name	Opening balance	Increase during the year	Decrease during the year	Closing balance	Provision for impairment during the year	Closing balance of provision for impairment
Sichuan Energy Power Investment Pingshan Electricity Co., Ltd. (四川能投屏山電力有限公司)	113,505,246.64	-	-	113,505,246.64	-	-
Sichuan Energy Investment Xingwen Electricity Co., Ltd. (四川能投興文電力有限公司)	97,349,923.01	-	-	97,349,923.01	-	-
Sichuan Energy Investment Gao County Electricity Co., Ltd. (四川能投高縣電力有限公司)	305,302,001.65	-	-	305,302,001.65	-	-
Sichuan Energy Investment Yibin Power Generation Co., Ltd. (四川能投宜賓發電有限公司)	3,000,000.00	-	-	3,000,000.00	-	-
Sichuan Energy Investment Yibin Xuzhou Electricity Co., Ltd. (四川能投宜賓市敘州電力有限公司)	60,000,000.00	-	-	60,000,000.00	-	-
Sichuan Energy Investment Gong County Electricity Co., Ltd. (四川能投珙縣電力有限公司)	44,763,745.89	-	-	44,763,745.89	-	-
Sichuan Energy Investment Junlian Electricity Co., Ltd. (四川能投筠連電力有限公司)	40,000,000.00	-	-	40,000,000.00	-	-
Shuifu Yangliutan Power Generation Co., Ltd. (水富楊柳灘發電有限公司)	340,314,958.06	-	-	340,314,958.06	-	-
Sichuan Energy Investment and Development Construction Co., Ltd. (四川能投發展建設有限公司)	101,100,240.77	-	-	101,100,240.77	-	-
Sichuan Energy Investment Electricity Energy Co., Ltd. (四川能投電能有限公司)	74,000,000.00	-	-	74,000,000.00	-	-
Sichuan Energy Investment Gao County Integrated Energy Co., Ltd. (四川能投高縣綜合能源有限公司)	12,000,000.00	-	-	12,000,000.00	-	-
Sichuan Energy Investment Junlian Green Energy Co., Ltd. (四川能投筠連綠色能源有限公司)	-	16,000,000.00	-	16,000,000.00	-	-
Sichuan Energy Investment Changning Green Energy Co., Ltd. (四川能投長寧綠色能源有限公司)	-	10,200,000.00	-	10,200,000.00	-	-
Total	1,191,336,116.02	26,200,000.00	-	1,217,536,116.02	-	-

For information on the subsidiaries of the Company, Please see Note VII.

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 3. Long-term equity investments (continued)

#### (3) Investments in associates:

2024

Name of investee	Opening balance	Investment income under equity method	Additional investment	Closing balance	Closing and opening balance of provision for impairment
Associates					
Emeishan Jinkun Micro-credit Co., Ltd. (峨眉山市金坤小額貸款有限公司)	52,556,891.86	868,207.26	-	53,425,099.12	-
Yibin Xuzhou District Jinkun Micro-credit Co., Ltd. (宜賓市敘州區金坤小額貸款有限公司)	106,231,729.25	536,732.58	-	106,768,461.83	-
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	14,416,240.58	1,200,746.33	(1,400,710.64)	14,216,276.27	-
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	118,983,833.23	(5,814,731.72)	-	113,169,101.51	-
Total	292,188,694.92	(3,209,045.55)	(1,400,710.64)	287,578,938.73	-

2023

Name of investee	Opening balance	Investment income under equity method	Additional investment	Closing balance	Closing and opening balance of provision for impairment
Associates					
Emeishan Jinkun Micro-credit Co., Ltd. (峨眉山市金坤小額貸款有限公司)	51,360,023.10	1,196,868.76	-	52,556,891.86	-
Yibin Xuzhou District Jinkun Micro-credit Co., Ltd. (宜賓市敘州區金坤小額貸款有限公司)	105,988,089.84	243,639.41	-	106,231,729.25	-
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	13,193,736.69	1,222,503.89	-	14,416,240.58	-
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	-	3,783,833.23	115,200,000.00	118,983,833.23	-
Total	170,541,849.63	6,446,845.29	115,200,000.00	292,188,694.92	-

## NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

### XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

#### 4. Operating revenue and operating costs

##### (1) Operating revenue and operating costs

Item	Note	2024		2023	
		Revenue	Cost	Revenue	Cost
Principal business		45,487,787.31	5,462,181.45	41,276,450.82	5,017,576.21
Total		45,487,787.31	5,462,181.45	41,276,450.82	5,017,576.21
Including: Revenue from contracts	XV.4(2)	45,487,787.31		41,276,450.82	

##### (2) Revenue from contracts

Type of contracts	2024	2023
Type of goods		
– Grid wheeling charges of subsidiaries	21,658,322.16	18,955,632.21
– Management fee of subsidiaries	23,829,465.15	22,320,818.61
Total	45,487,787.31	41,276,450.82
Classified by time of transfer of goods		
– Revenue recognized at a point in time	21,658,322.16	18,955,632.21
– Revenue recognized over time	23,829,465.15	22,320,818.61
Total	45,487,787.31	41,276,450.82

# NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

## XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

### 5. Investment income

Item	2024	2023
Investment income from long-term equity investments accounted for using the cost method	362,549,668.69	306,930,971.62
Investment (loss)/income from long-term equity investments accounted for using the equity method	(3,209,045.55)	6,446,845.29
Investment income from financial assets held for trading during the holding period	564,965.75	—
Total	359,905,588.89	313,377,816.91

## XVI. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with “Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares No.9 – Calculation and Disclosure of the Return on Net Assets and Earnings Per Share” (2010 revision) issued by the CSRC and relevant accounting standards, the Group’s return on net assets and earnings per share are calculated as follows:

Profit for the reporting period	Weighted average return on net assets (%)	Basic earnings per share
Net profit attributable to ordinary shareholders of the Company	10.77%	0.37

The calculation of basic earnings per share is detailed in Note V.45.