VPOWER GROUP

VPower Group International Holdings Limited
偉能集團國際控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

Stock Code: 1608

2024
ANNUAL REPORT

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COMPANY PROFILE

VPower Group International Holdings Limited (the "Company", "VPower Group", or together with its subsidiaries, the "Group") is one of the world's leading large gen-set system integration providers and one of the leading gas-fired engine-based distributed power generation station owners and operators in Asia, with more than 20 years of proven operational excellence in the energy market.

We deliver much-in-demand electricity to keep industries running and power regional economic growth through (1) designing, integrating and selling gen-sets and power generation systems; and (2) designing, investing in, building and operating distributed power stations for off-takers. Together, they make up our two principal business segments: (1) System Integration ("**SI**") business; and (2) Investment, Building and Operating ("**IBO**") business.

Our fast-track power solutions generate stable, reliable and affordable electricity in emerging markets to improve the living standards of people; as well as provide flexible and efficient electricity in developed markets to supplement the increasing use of renewable energy to keep pace with the global energy transition.

Along with the global effort to combat climate change, we have a strong commitment to achieving carbon neutrality by 2050. We adopt strategies in line with our targets involving the development of distributed integrated energy solutions that apply combined cooling, heat and power systems, renewables or new forms of fuel, and energy storage systems. We also strive to further improve our operational efficiency and minimise the environmental impacts of our business.

We seek to build on our proprietary system design together with our integration capabilities and extensive global business network developed over the past 20 years to continue our expansion into new markets with efficient solutions and create sustainable value for all stakeholders.

We power the world, and light up possibilities.

We are united by common values and missions.

AUTAZES, BRAZIL

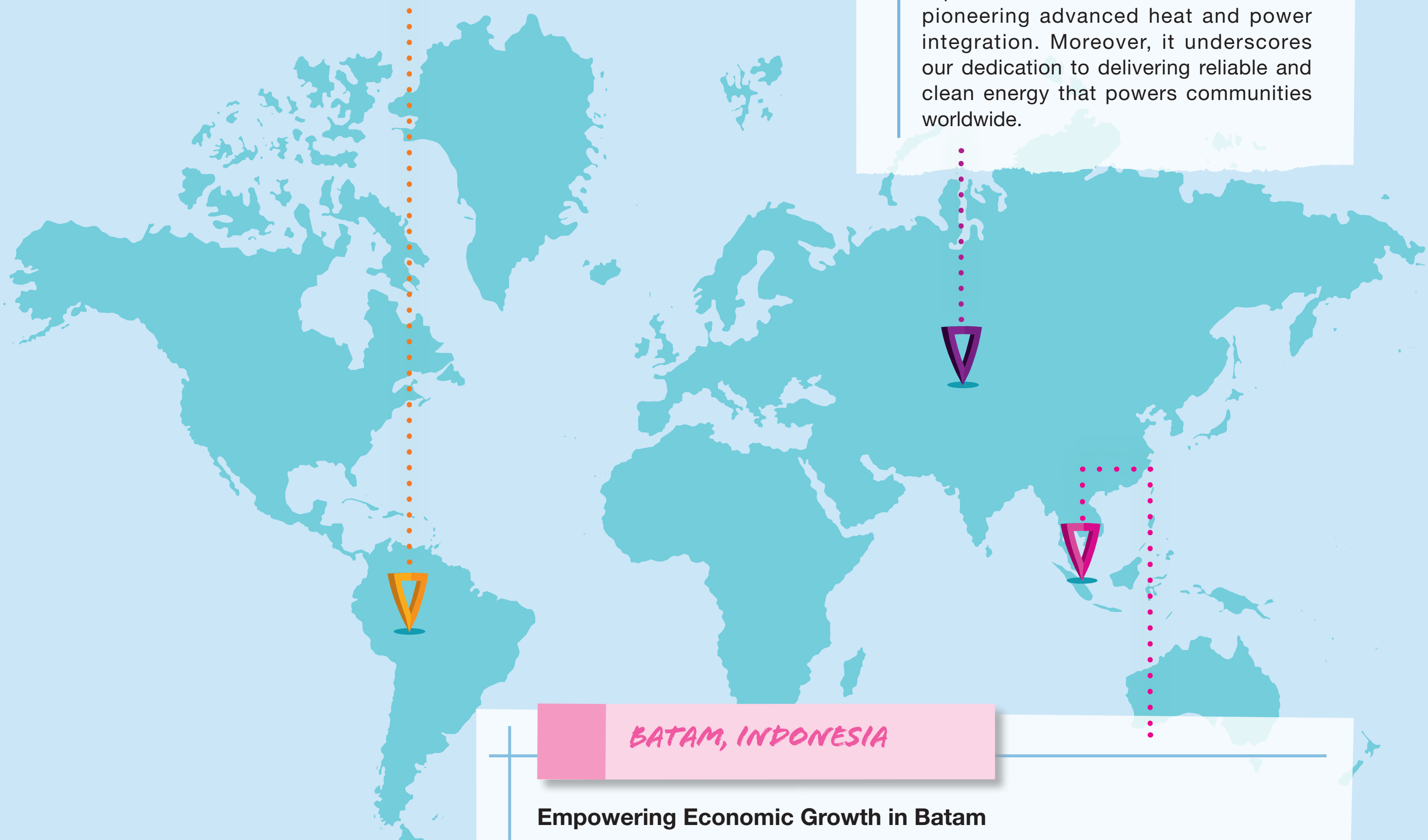
Fueling a Greener Future with Solar

In 2024, we revolutionised our biodiesel power station in Autazes, turning it into a beacon of innovation and sustainability by embracing solar energy. This integration not only reduces fossil fuel dependency but also echoes Brazil's advancing dedication to renewable power in its energy landscape. A milestone in our journey, it reflects our commitment to fostering sustainability and inspiring a greener, brighter future for the local community.

TASHKENT, UZBEKISTAN

Strategic Leap in Central Asia

Set to launch in 2025, this 100MW gas-fired combined heat and power project, awarded in late 2024 with the support of our controlling shareholder, marks our strategic leap into Central Asia's rapidly evolving energy market. Amid the region's robust energy demand growth, this project is positioned to address local needs while pioneering advanced heat and power integration. Moreover, it underscores our dedication to delivering reliable and clean energy that powers communities worldwide.



BATAM, INDONESIA

Empowering Economic Growth in Batam

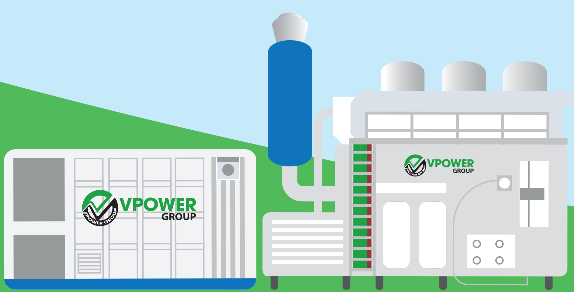
Strategically located in Batam, a dynamic economic hub of the country, we are operating three gas-fired power stations with an aggregate contract capacity of 150MW to meet the island's critical electricity demand driven by its booming industrial sector and rapid urban development. By providing reliable power capacity, these power stations bolster Batam's economic growth while complementing Indonesia's transition toward sustainable energy solutions.

We are committed to providing reliable and flexible power to customers across the world.

CHAIRMAN'S STATEMENT

VPower Group has demonstrated strong resilience and adaptability amid recent years marked by considerable challenges and significant turbulence. Through close collaboration with our controlling shareholder and trusted partners, we have maintained rigorous operational discipline and sound governance — restoring immediate stability while strategically positioning ourselves for future growth. It is a true testament to our unwavering commitment to sustainable value creation.

Gao Zhan
Chairman



Dear shareholders,

The year 2024 marks a critical period for achieving the goals outlined in China's 14th Five-Year Plan and advancing the high-quality, in-depth development of the Belt and Road Initiative. To promote high-quality energy development, ensure national energy security, foster a green and low-carbon economic and social transition, and pursue sustainable development, China has introduced its first Energy Law, laying the foundation for progress in the energy sector.

This year is also a pivotal one for VPower Group as it rises to challenges and defies adversity. Despite a complex and challenging operating environment, VPower Group remains steadfast in its commitment to providing reliable power solutions to clients across various regions. The Group has actively adjusted its business strategies, flexibly responding to diverse challenges with a focus on enhancing corporate efficiency. By optimising its asset portfolio, strictly controlling capital expenditures and administrative costs, and strengthening synergy with the controlling shareholder and other business partners, the Group has seized market opportunities to drive business growth and lay a solid foundation for returning to a path of sustainable growth.

Overcoming Challenges and Strengthening Foundations

Since becoming a state-controlled listed company, VPower Group has prioritised enhancing core capabilities, fostering inter-enterprise collaboration, and strengthening its competitiveness to accelerate the transformation into a modernised enterprise imbued with intrinsic vitality. At the start of 2024, the Group adopted a problem-solving approach grounded in the principles of stability, progress, and risk alignment. Short- to medium-term goals and actionable work plans were devised to address legacy issues and drive business growth strategically. Among its key priorities, the Group focused on optimising business footprint, revitalising idle assets to enhance overall utilisation, and directing resources towards comparatively stable or high-potential new projects.

To optimise its business strategy, the Group conducted in-depth market analyses and risk assessments across the regions with footprint. For markets such as the United Kingdom and Myanmar, where profit growth momentum was limited in the last few years, the Group intended to reduce exposure and create a virtuous cycle by integrating existing assets with new investments. This strategic realignment enabled the gradual reallocation of power generation assets and resources to more stable and profitable regions. Notably, the Group collaborated closely with its controlling shareholder's business team in Central Asia to successfully develop its inaugural power generation project in Uzbekistan, capturing opportunities in a new market with growing energy demand. Simultaneously, the Group leveraged its extensive experience in Brazil and Indonesia to deepen its footprint, actively seeking and pursuing viable projects in these markets.

With substantial support from its controlling shareholder, VPower Group optimised its asset structure, reduced costs, enhanced operational efficiency, and improved asset productivity. During the year, the Group entered into an equipment purchase agreement with the controlling shareholder and its subsidiaries, facilitating the monetisation of assets at fair and reasonable prices. This initiative is expected to generate immediate cash inflows for the Group to fund repayment of short-term borrowings and business operations. The Group completed the sale of a batch of equipment and continues to work with the buyers and other relevant stakeholders to conclude the remaining part of the transaction.

The Group made significant strides in scaling down its investments in Myanmar, successfully mitigating the financial impact of local currency fluctuations. Meanwhile, the joint venture co-owned with the controlling shareholder incurred financial losses due to the shutdown of three power stations. Whilst its losses did not affect the Group's financial statements of 2024, the Group collaborated with its controlling shareholder to establish a task force aimed at revitalising the joint venture's profitability.

VPower Group remains steadfast in its commitment to social responsibility and sustainable development. It continues to pursue carbon neutrality, advance energy-saving initiatives, and strengthen environmental management systems. By embedding green principles into its corporate strategy and daily operations, the Group took meaningful steps towards sustainable growth. In Brazil, the Group entered into a new phase of hybrid energy upgrades by integrating biodiesel and solar power generation to deliver stable and sustainable energy solutions. As part of broader efforts to develop modern energy systems, the Group continued to explore innovative solutions to improve energy efficiency, striving to create lasting value for the environment.

Joining Hands, Advancing with Determination

In 2025, VPower Group will remain committed to steady progress and quality enhancement as it continues to refine its business structure and improve operations. Within the IBO business segment, the Group will continue to seize opportunities in the international power generation market, expand its global footprint, and cultivate new revenue drivers. Key priorities include advancing the implementation of the new project in Uzbekistan, capturing the favourable business environment for foreign investment in Central Asia with the robust resources of its controlling shareholder and also capitalising on favourable power market conditions in Brazil and Indonesia to increase investment to further solidify its market position.

Over the years, the Group has developed the capability to independently manage routine operations and maintenance tasks supported by its professional and highly skilled teams, providing a solid foundation for stable project performance. Leveraging these strengths, VPower Group will continue to optimise asset allocation, strategically coordinate resources, enhance asset operating efficiency, and deepen its collaboration with the controlling shareholder to create valuable synergies. These initiatives will drive the efficient development and implementation of new projects, ensuring robust support for business expansion in the coming year and strengthening the Group's core competitiveness in the power supply market.

In the SI business segment, the Group will take advantage of the favourable global and domestic economic recovery, coupled with growing electricity demand, to expand its focus on regional infrastructure, data centres, and power generation projects. Actively participating in energy supply developments both domestically and internationally, the Group will leverage its technical expertise to highlight the efficiency and reliability of distributed power generation, boosting performance across the SI business segment.

On the corporate management front, VPower Group will further enhance its standing as a listed company by refining its governance framework and improving decision-making efficiency. The Group is committed to upholding regulatory compliance, mitigating significant risks, and focusing on critical areas such as related-party transactions, major investments, financial management, insider information oversight, and debt management. These efforts will strengthen its auditing, internal control, compliance, and risk management systems, ensuring sustainable progress of a listed entity.

Looking ahead, VPower Group is embracing a broader strategic vision to elevate its high-quality development to new heights, delivering sustainable value to its shareholders. On this occasion, the Group extends its heartfelt gratitude to its shareholders, business partners, and all employees for their steadfast support and contributions to the Group's continued success.

Gao Zhan
Chairman

28 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, the global energy market experienced profound shifts and formidable challenges. Worldwide electricity consumption increased by 4.3%, the quickest expansion since 2020, with emerging economies like China and India spearheading that growth. Notably, China's electricity usage surged by 7%, accounting for 54% of the global increase. This trend underscored the pivotal role emerging markets played in shaping future energy strategies and market dynamics.

Within the industrial landscape, electricity demand from data centres surged most prominently. Breakthroughs in artificial intelligence and the burgeoning cryptocurrency sector drove this surge. To ensure seamless operations and reduce reliance on the central grid, an increasing number of data centre operators invested in on-site generation solutions. This approach to enhance supply stability accelerated the demand for backup and flexible power arrangements.

While fossil fuels continued to underpin a significant portion of the electricity supply, their share in the global energy mix contracted. In contrast, renewable sources and nuclear power witnessed robust growth, addressing nearly all new demand for electricity. Combined, these low-carbon energy sources contributed 47% to global power generation in 2024, highlighting a decisive shift toward sustainable energy alternatives within the overall energy portfolio.

Geopolitical tensions and imbalances between energy supply and demand triggered regional fluctuations in energy prices. Additionally, extreme weather patterns and natural disasters that affected power infrastructure further complicated the stability of energy supplies, necessitating adaptive strategies in energy management.

BUSINESS REVIEW

While favourable electricity market conditions provided opportunities for industry development, the whole sector faced notable challenges. Against this backdrop, the Group focused on enhancing its internal capabilities to adapt to the dynamic market environment and resolving the business difficulties brought by historical events. The Group successfully explored and secured opportunities that align with market trends and position us for sustainable growth.

The Group recorded a total revenue of HK$1,520.5 million for the year ended 31 December 2024, representing a year-on-year growth of HK$22.8 million. The improved financial performance demonstrated the Group's operational resilience and efforts deployed on corporate enhancement and strategic asset management during periods of instability and challenges.

SI Business

For the year ended 31 December 2024, the Group recorded SI business revenue of approximately HK$602.9 million, reflecting a 10.7% decline compared to the prior year's revenue of approximately HK$675.3 million. The decline in total revenue was primarily attributed to the absence of sales from a key customer, which had contributed approximately HK$403.5 million in revenue in 2023.

Capitalising on a disciplined pricing approach complemented by rigorous cost-control measures, the SI business achieved a robust recovery by elevating its gross profit margin to approximately 15.8%. This improvement underscores the effectiveness of the Group's strategic initiatives in optimising profitability.

Throughout the year, the Group diversified its customer base across sectors, including power generation and infrastructure, affirming the broad applicability of its power systems. Notably, the Group delivered reliable backup power solutions that supported the development of significant regional data centres and infrastructure.

IBO Business

For the year ended 31 December 2024, the Group recorded IBO business revenue of approximately HK$917.6 million, reflecting an 11.6% year-on-year increase from approximately HK$822.3 million in 2023. This performance was primarily driven by enhanced revenue from power stations in Brazil and Indonesia. The overall gross profit margin also improved significantly to 21.4%.

As of 31 December 2024, the Group managed a diversified portfolio by operating wholly-owned projects in Brazil, Indonesia, Myanmar, and China, with capacity of 70.3MW, 268MW, 50MW, and 14.4MW respectively. In addition, the Group maintained a joint venture project in Peru with a generation capacity of 79.8MW.

In Brazil, leveraging the robust performance of its existing facilities and aligned with local policies to expand the use of renewable energy, the Group executed a hybrid energy upgrade by integrating solar panels to a power station thereby expanding capacity and initiating production within the year. In Indonesia, the construction of two new projects, delivering a combined installed capacity of 130.8MW, was successfully completed, and both entered the trial operation phase.

Additionally, the Group closed a 20.3MW gas-fired power station in the United Kingdom due to its profitability falling below expectations. In line with its asset optimisation and risk mitigation strategy, the Group further scaled down its operation in Myanmar by downsizing the project and progressively reallocating the power generation equipment for upcoming projects in other regions.

During the year, the Group actively leveraged the robust business network of its controlling shareholder and focused on developing projects in Central Asia. It successfully acquired its first gas-fired combined heat and power project in Uzbekistan with a contracted power generation capacity of 100MW, which is scheduled for completion and operation in the second half of 2025. The Group is also exploring suitable business opportunities in other Central Asian countries.

To strengthen the management of power generation assets and improve their utilisation rate, the Group entered into an equipment purchase agreement with the controlling shareholder, China National Technical Import & Export Corporation ("**CNTIC**") and its subsidiary CNTIC Capital (Hong Kong) Co., Limited ("**CNTIC Capital**") during the year, pursuant to which the Group conditionally agreed to sell certain mobile power generating sets and their ancillary equipment and accessories to CNTIC and CNTIC Capital in batches at a total consideration equivalent to approximately RMB1,613 million. During the year, the Group and CNTIC Capital completed the sale of a batch of equipment valued at approximately RMB610.5 million which is in operation at the Group's power stations in Indonesia, and following the completion of the sale, the Group has been using such equipment pursuant to leasing arrangement entered into with CNTIC Capital.

Significant Investment

Tamar VPower Energy Fund I, L.P. (the "Fund")

The Group has joined hands with CITIC Pacific Limited ("**CITIC Pacific**") to explore the opportunities in the energy sector in countries along the Belt and Road Initiative through the Fund since 2018. The investment portfolio of the Fund remained the same as disclosed in the annual report of 2019. As at 31 December 2024, the Group's total investment cost in the Fund was approximately HK$819.8 million; and its carrying value was approximately HK$693.4 million, representing around 11.8% of the Group's total assets. The capital of the fund has been fully invested and the Group is discussing with CITIC Pacific the exit arrangement.

FINANCIAL REVIEW

Revenue

The revenue of the Group was mainly derived from: (i) SI business by providing gen-sets and power generation systems to customers; and (ii) IBO business based on the actual amount of electricity that we deliver to the off-takers (including fuel cost the Group expensed for its off-takers), as well as the contract capacity we make available to the off-takers.

	Year ended 31 December	
	2024	2023
	HK$'000	HK$'000
SI	**602,924**	675,322
IBO	**917,558**	822,321
Total	**1,520,482**	1,497,643

In 2024, the Group recorded a revenue of approximately HK$1,520.5 million, representing an increase of 1.5% as compared with approximately HK$1,497.6 million of the previous year. Please refer to the paragraph headed "Business Review" for the reasons of the increase in revenue.

Revenue by geographical locations

The table below sets forth a revenue breakdown for our SI business by geographical markets for the year indicated, both in actual amounts and as a percentage of total revenue:

	Year ended 31 December			
	2024		2023	
	HK$'000	**% of total revenue**	HK$'000	% of total revenue
Hong Kong and Chinese Mainland	**389,619**	**25.6**	166,653	11.1
Other Asian countries[1]	**78,709**	**5.2**	473,189	31.6
Other countries	**134,596**	**8.9**	35,480	2.4
Total	**602,924**	**39.7**	675,322	45.1

Note:

(1) Other Asian countries mainly include Indonesia, United Arab Emirates and Singapore.

The table below sets forth a revenue breakdown for our IBO business by geographical markets for the year indicated, both in actual amounts and as a percentage of total revenue:

	Year ended 31 December			
	2024		2023	
	HK$'000	**% of total revenue**	HK$'000	% of total revenue
Brazil[1]	**736,665**	**48.4**	692,104	46.2
Indonesia	**90,963**	**6.0**	19,872	1.3
Myanmar	**69,861**	**4.6**	78,196	5.2
Chinese Mainland	**18,498**	**1.2**	27,849	1.9
United Kingdom	**1,571**	**0.1**	4,300	0.3
Total	**917,558**	**60.3**	822,321	54.9

Note:

(1) Revenue comprises amounts representing fuel cost expensed for off-takers.

Cost of sales

Under our SI business, our cost of sales mainly consists of cost of goods sold and services provided, staff costs and depreciation. We use engines, radiators, alternators, other parts and ancillary equipment to produce gen-sets and power generation systems.

Under our IBO business, our cost of sales mainly includes fuel cost, depreciation and other operating expenses including labour cost which we engage contractors for labour outsourcing.

For the years ended 31 December 2024 and 2023, our costs of sales were approximately HK$1,229.2 million and approximately HK$1,451.5 million, respectively.

Gross profit and gross profit margin

	Year ended 31 December			
	2024		2023	
	HK$'000	**gross profit margin %**	HK$'000	gross profit margin %
SI	**95,136**	**15.8**	(50,563)	(7.5)
IBO	**196,139**	**21.4**	96,721	11.8
Total	**291,275**	**19.2**	46,158	3.1

Gross profit of the Group was approximately HK$291.3 million, representing an increase of HK$245.1 million as compared with approximately HK$46.2 million of the previous year. Gross profit margin increased to 19.2% from 3.1% in 2023, which was mainly attributable to the SI business returning to profitability in 2024.

Loss before tax

For the year ended 31 December 2024, the Group recorded a loss of approximately HK$205.5 million as compared with a loss of HK$2,855.0 million of the previous year. It was mainly due to the reduction in share of loss from the joint ventures, the increase in gross profit, significant decrease in impairments on trade receivables and the gain on disposal of property, plant and equipment.

Other income and gains, net

In 2024, other income and gains, net of the Group amounted to approximately HK$153.1 million as compared with approximately HK$4.3 million of the previous year. The increase was mainly attributable to gain on disposal of property, plant and equipment in current year.

Selling and distribution expenses

Selling and distribution expenses of the Group primarily consist of costs for transportation and traveling expenses, insurance expense, staff costs and others. In 2024, selling and distribution expenses of the Group decreased by 21.6% from approximately HK$14.8 million in 2023 to HK$11.6 million.

Administrative expenses

Administrative expenses primarily consist of administrative service fees, staff costs, legal and other professional fees, insurance expenses, and office and other expenses. Office and other expenses include bank charges, advertising, exhibition and related promotion expenses and headquarter expenses.

In 2024, administrative expenses of the Group were approximately HK$268.5 million, representing a decrease of 32.6% as compared with approximately HK$398.1 million of the previous years. The decrease was mainly due to decreases in demobilisation expenses and depreciation charges on non-operating assets.

Other expenses, net

Other expenses, net of the Group mainly consist of foreign exchange loss, impairment of trade receivables, impairment of property, plant and equipment and write-down of inventories to net realisable value.

In 2024, other expenses, net were approximately HK$19.3 million, which represented a decrease of 93.6% over the previous year of approximately HK$301.2 million. The decrease was mainly attributable to a decrease in impairment on other receivables, property, plant and equipment and intangible assets.

Finance costs

Finance costs of the Group primarily consist of interest and other finance costs on letters of credit, bank loans and overdrafts, notional interest on other payables and interest on lease liabilities and other borrowings. In 2024, finance costs were approximately HK$341.5 million, which represented an increase of 8.0% as compared with the previous year of approximately HK$316.2 million. The increase was primarily due to an increase in average borrowing interest rate despite a decrease in total interest-bearing bank borrowings.

Income tax expense/credit

Income tax expense/credit of the Group primarily consists of income tax expense or income tax recoverable by our subsidiaries in the People's Republic of China, Hong Kong, Brazil and Peru. In 2024, income tax expense was approximately HK$27.1 million, as compared with the income tax credit of approximately HK$1.0 million in the previous year.

The effective tax rate was not applicable for 2024 and 2023 as the Group recorded loss before tax during both years.

Loss Attributable to Owners and Loss per Share

In 2024, loss attributable to owners of the Company was approximately HK$233.1 million, as compared with loss attributable to owners of the Company of approximately HK$2,854.0 million of the previous year.

Basic loss per share for the year ended 31 December 2024 was HK3.49 cents as compared with basic loss per share of HK76.18 cents of the previous year.

Liquidity, Financial and Capital Resources

As at 31 December 2024, total current assets of the Group amounted to approximately HK$4,231.1 million (2023: HK$2,946.5 million). In terms of financial resources as at 31 December 2024, cash and cash equivalents of the Group were approximately HK$122.8 million (2023: HK$131.2 million).

As at 31 December 2024, total bank and other borrowings of the Group amounted to approximately HK$2,272.2 million (2023: HK$2,767.2 million), representing a decrease of approximately 17.9% as compared to that of 31 December 2023. As at 31 December 2024, the Group's bank and other borrowings were denominated in:

	2024 **HK$'000**	2023 HK$'000
United States dollars ("**USD**")	**1,987,961**	2,310,133
Hong Kong dollars	**122,270**	132,039
Brazilian Real ("**BRL**")	**92,663**	183,295
Renminbi ("**RMB**")	**47,765**	77,878
Euro	**21,534**	52,902
Great British Pound ("**GBP**")	**–**	8,791
United Arab Emirates Dirham ("**AED**")	**–**	2,163
	2,272,193	2,767,201

As at 31 December 2024, the Group's current ratio was 1.0 (2023: 0.7). The Group's liabilities to assets ratio was 73.0% (2023: 69.8%). The Group's net gearing ratio was approximately 135.1% (2023: 139.2%).

Charge of Assets

As at 31 December 2024, certain of the Group's inventories with a net book value of approximately HK$146.5 million (2023: HK$161.5 million), property, plant and equipment with a net book value of approximately HK$107.7 million (2023: HK$125.8 million), pledged deposit of nil (2023: HK$1.1 million) and equity interest of the Group in a subsidiary were charged for securing the Group's interest-bearing bank and other borrowings and the equity interest of the Group in Genrent del Peru S.A.C. was charged for securing its senior notes.

Exposure on Foreign Exchange Fluctuations

The Group's revenue and payments are mainly in U.S. dollars, Euro, BRL, Indonesian Rupiah ("**IDR**"), RMB, AED and GBP. The impact of such difference would translate into our exposure to any particular currency fluctuations during the period.

The Group is exposed to foreign exchange risk through sales and purchases that are denominated in currencies other than the functional currency of the respective operations. The Group has a hedging policy to manage such risks and costs associated with currency fluctuations. The Group will closely follow the hedging policy and monitor its overall foreign exchange exposure from time to time to minimise the relevant exposures.

Contingent Liabilities

As at 31 December 2024, the Group had no material contingent liabilities.

Capital Expenditures

For the year ended 31 December 2024, the Group invested approximately HK$76.2 million (2023: HK$99.3 million) in property, plant and equipment of which HK$75.9 million (2023: HK$99.1 million) was for IBO projects. Additionally, the Group invested approximately HK$208.9 million (2023: HK$ nil) in right-of-use assets specifically for the IBO projects.

MATERIAL ACQUISITIONS OR DISPOSALS

On 4 September 2024, the Group entered into an equipment purchase agreement with the controlling shareholder and its subsidiary, CNTIC and CNTIC Capital, pursuant to which the Group conditionally agreed to sell certain mobile power generating sets and their ancillary equipment and accessories to CNTIC and CNTIC Capital in batches at a total consideration equivalent to approximately RMB1,613 million. The transactions contemplated under the equipment purchase agreement constitute a connected transaction and a very substantial disposal for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. For further details, please refer to the Company's announcement dated 4 September 2024.

During the year, the Group and CNTIC Capital completed the sale of a batch of equipment valued at approximately RMB610.5 million.

TREASURY POLICY

The Group has implemented a treasury policy that aims at better controlling its treasury management and financial resources. The treasury policy requires the Group to maintain an adequate level of cash and cash equivalents and available banking facilities to support daily operations and funding needs. The policy is regularly reviewed and evaluated to ensure its adequacy and effectiveness.

EMPLOYEES

As at 31 December 2024, the Group had 380 employees (2023: 365). The Group remunerates its employees based on their performance, experience and prevailing industry practice; and grants bonus motivate valued employees. In 2024, the Group provided internal and external training (e.g. orientation training, on-the-job training, product training and site safety training) to enrich the knowledge and skills of our employees.

The board of directors of the Company (the "**Board**") is the highest governance body of the Group which provides leadership and guidance to the Group's activities and oversees the execution of the Group's business strategies. It currently comprises five executive directors, a non-executive director and three independent non-executive directors. The biographical details of the directors are as follows:

EXECUTIVE DIRECTORS

Mr. Gao Zhan, aged 50, was appointed as an Executive Director of the Company in August 2024. He is also the chairman of each of the Company's Board and the Nomination Committee. Mr. Gao oversees functions of the Board and is responsible for formulating overall mission and vision of the Group.

Mr. Gao has a sound professional background and rich experiences in overseas market development and large-scale overseas engineering contracting project management. He served as a deputy general manager of China National Technical Import & Export Corporation (中國技術進出口集團有限公司) ("**CNTIC**", the controlling shareholder of the Company and a subsidiary of China General Technology (Group) Holding Co., Ltd. (中國通用技術(集團)控股有限責任公司) ("**Genertec**")) from October 2017 to August 2020, and as a director of CNTIC from December 2017 to March 2020. He served as a deputy general manager of China National Machinery Import and Export Corporation (中國機械進出口(集團)有限公司) ("**CMC**", a subsidiary of Genertec) from August 2020 to August 2021, and subsequently as a director and a general manager of CMC from August 2021 to May 2022. Since April 2022, he has been serving as a director and a general manager of Genertec International Holding Co., Ltd. (通用技術集團國際控股有限公司) ("**Genertec International**", a subsidiary of Genertec); and since January 2023, he has also been serving as the chief risk officer of Genertec International.

Mr. Gao received a master's degree in business administration from University of the Philippines Manila in March 2008. He obtained a bachelor's degree in applied electronic technology from Beijing Union University, the PRC, in July 1996.

Mr. Lam Yee Chun, alias Samson Lam, aged 53, a co-founder of the Group and was appointed as an Executive Director of the Company in February 2016. He is also the Chief Executive Officer of the Group and a director of various subsidiaries of the Company. Mr. Lam is principally responsible for the Group's strategic developments in both commercial and technical aspects. He is also responsible for the top-level leadership of the general management of the Group.

Mr. Lam has more than 25 years of experience in entrepreneurship, general management, project management, supply chain management, system integration and operation and maintenance in the engine-based power generation industry. He has years of experience in designing power generation systems for various applications, including backup power, data centre, flexible power, prime use in emergency situations such as disasters and power outages as well as continuous power generation of power stations.

Mr. Lam was awarded the Young Industrialist Awards of Hong Kong 2016 by the Federation of Hong Kong Industries and the Owner-Operator Award at the DHL/SCMP Hong Kong Business Awards 2017 for his outstanding achievement as an entrepreneur and a power generation solution provider. Mr. Lam was an executive committee member of Hong Kong Young Industrialists Council in the years of 2020-2024 and has been a member of the Hong Kong Trade and Development Council Mainland Business Advisory Committee since 2022.

Mr. Lu Weijun, aged 53, was appointed as an Executive Director of the Company in December 2023. He is responsible for overseeing business development of the Group, and facilitating business collaboration with the controlling shareholder of the Company and its group companies to drive business growth and expand market share of the Group.

Mr. Lu possesses extensive experience in market development of large-scale overseas engineering projects and project management. He joined CNTIC in June 2003. He served as the general manager of China National Transportation Equipment & Engineering Co., Ltd. (中國軌道裝備工程有限公司, a subsidiary of Genertec) from January 2019 to April 2021; and a deputy general manager of CNTIC from April 2021 to April 2022. Mr. Lu has been serving as a deputy general manager of Genertec International since April 2022 and has been the sole executive director of CNTIC since September 2022.

Mr. Lu graduated from China University of Mining and Technology, the PRC, with a bachelor's degree in engineering majoring in mining machinery and electrical engineering in July 1996.

Mr. Jin Jiantang, aged 56, was appointed as an Executive Director of the Company in December 2023. He is also the Chief Financial Officer of the Group, responsible for formulating overall strategies and policies in financial management, financial reporting, budget management, cost-benefit analysis, tax planning and treasury management of the Group.

Mr. Jin possesses rich management experience in finance, audit, risk management and internal controls. He joined China National Instruments Import & Export Group Corporation (中國儀器進出口集團有限公司, a subsidiary of Genertec) in July 1992. He worked in Genertec from March 1998 to March 2010 and served as the deputy general manager of risk management and legal department of CMC from February 2011 to January 2022. He served as a deputy general manager in the audit department of Genertec International from January 2022 to December 2023.

Mr. Jin graduated from Peking University, the PRC, with a master's degree in business administration in July 2002. He obtained a bachelor's degree in economics majoring in auditing from Nankai University, the PRC, in July 1992. He became a certified public accountant in the PRC in 1995.

Mr. Wang Jiachang, aged 40, was appointed as an Executive Director of the Company in January 2025. He is responsible for advising on matters escalated to the directors for approval and promoting collaborative business development with the controlling shareholder of the Company.

Mr. Wang has a sound professional background and rich experiences in overseas market development and project management of large-scale overseas engineering projects. He joined China National Energy Engineering & Construction Co., Ltd. (中國能源工程股份有限公司) ("**CNEE**", a subsidiary of Genertec) in July 2010 and served successively as a deputy general manager, a director and an executive deputy general manager from April 2020 to May 2022. Since May 2022, Mr. Wang has been serving as a director and a general manager of CNEE.

Mr. Wang received a master's degree in thermal energy engineering from Graduate University of Chinese Academy of Sciences (now known as University of Chinese Academy of Sciences), the PRC, in July 2010 and obtained a bachelor's degree in thermal energy and power engineering from Tsinghua University, the PRC, in July 2007.

NON-EXECUTIVE DIRECTOR

Mr. Wong Kwok Yiu, aged 49, was appointed as a Non-executive Director of the Company in December 2022.

Mr. Wong is currently a director of the business development department of CITIC Pacific Limited, a wholly-owned subsidiary of CITIC Limited (listed on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"), stock code: 267). He is also a director of CITIC Pacific Special Steel Group Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 000708), a director of certain member companies of CITIC Pacific Limited involved in special steel, energy, tunnel management, healthcare and telecommunications business and a director of certain member companies of CITIC Limited involved in iron ore mining projects. Mr. Wong joined CITIC Limited in 1997, since then, he has gained more than 25 years of experience in project investment and evaluation, financial modeling and analysis, project management and commercial negotiation.

Mr. Wong graduated from The Chinese University of Hong Kong with a bachelor's degree in business administration (major in finance) in 1997 and obtained a master degree in professional accounting and information systems from City University of Hong Kong in 2004. He has been a chartered financial analyst of the Association for Investment Management and Research (now known as CFA Institute) since 2002.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Suen Wai Yu, aged 47, was appointed as an Independent Non-executive Director of the Company in October 2016. He is also a member of each of the Company's Audit Committee and the Remuneration Committee.

Mr. Suen is the chief legal officer of ANTA Sports Products Limited (listed on the Stock Exchange, stock code: 2020) and responsible for overseeing all its legal, compliance and regulatory matters. He has over 20 years of experience in advising companies on capital and debt market transaction, merger and acquisition, commercial and project financing, regulatory and compliance works, and dispute resolution. Prior to joining ANTA Sports Products Limited, he was the group legal counsel and company secretary of Haitian International Holdings Limited (listed on the Stock Exchange, stock code: 1882) between August 2010 and February 2019. Mr. Suen worked in private practice as a solicitor from 2003 to 2010.

Mr. Suen obtained a bachelor's degree of laws in November 2000 and a postgraduate certificate in laws (PCLL) in June 2001 from the University of Hong Kong. He has been admitted as a solicitor in Hong Kong since September 2003.

Dr. Wang Zheng, aged 48, was appointed as an Independent Non-executive Director of the Company in December 2023. She is also the chairman of each of the Company's Audit Committee and the Remuneration Committee, and a member of the Nomination Committee.

Dr. Wang has experience of more than 15 years in higher education teaching in the United States and Hong Kong. She started her tertiary education career in the City University of Hong Kong since 2010 and she is currently an associate vice-president and a professor in the department of accountancy of the College of Business in the City University of Hong Kong where she has gained accounting teaching, research, and management experience. Her research areas focus on capital market, financial reporting and corporate disclosure. Her teaching areas include financial accounting, management accounting, and financial statement analysis.

Dr. Wang has published papers in top-tier accounting, finance and management journals including The Accounting Review and Contemporary Accounting Research, Journal of Banking and Finance, and Organization Science and Production and Operations Management. She has also served as an editorial board member for well-known accounting and management journals including Journal of Accounting, Auditing and Finance and Production and Operations Management, and as the associate editor of Asia-Pacific Journal of Accounting & Economics.

Dr. Wang received her Ph.D. of Philosophy in Business and Management from Maryland University, the United States, in August 2006. She obtained a master's degree of science in accounting and finance from the London School of Economics and Political Science, The University of London, the United Kingdom, in July 2001, and a bachelor's degree of economics in international finance from Peking University, the PRC, in July 1999.

Dr. Lin Tun, aged 50, was appointed as an Independent Non-executive Director of the Company in December 2023. He is also a member of each of the Company's Audit Committee, the Remuneration Committee and the Nomination Committee.

Dr. Lin has over 20 years of investment experience in the primary and secondary markets. He has been a chief investment officer of Micro Connect Group since July 2022. He was a managing director of Hony Capital from July 2013 to July 2022 and an executive director of China International Capital Corporation Limited from September 2010 to June 2013. He was an executive director and the chief executive officer of Goldstream Investment Limited (listed on the Stock Exchange, stock code: 1328) from December 2018 to May 2022.

Dr. Lin obtained his Ph.D. in economics and a master's degree in financial economics from the University of Cambridge, the United Kingdom, in October 2005. He also holds a master's degree in science from the University of Vermont, the United States, in May 1999 and a bachelor's degree in economics from Renmin University of China, the PRC, in July 1997.

SENIOR MANAGEMENT

Mr. Lee Chong Man Jason, aged 55, a co-founder of the Group. Mr. Lee is an Executive Vice President of the Group and a director of various subsidiaries of the Company. He is responsible for the Group's business development, general management and day-to-day operation in South America and the Middle East.

Mr. Lee has more than 20 years of experience in general management, global sales, distribution, project management, business development, power monitoring, power quality control and power saving in the engine-based power generation industry, as well as setting business strategies, direction and goals.

Mr. Lee obtained a bachelor's degree of science in electrical engineering from University of Calgary, Canada, in June 1994.

Mr. Lo Siu Yuen, aged 54, joined the Group in September 2011. Mr. Lo is an Executive Vice President of the Group and a director of various subsidiaries of the Company. He is responsible for human resources planning of the Group, formulating overall corporate strategies and policies in relation to the project functional operation, overseeing ongoing project functional business operations including procurement and logistics.

Mr. Lo has been a certified public accountant since July 1998 with over 25 years of experience in accounting, auditing, and financial management. He had served as various managerial, consultant, compliance and/or auditing roles from 1994 to 2011 including as the senior consultant of various consulting companies between February 2008 and August 2011, as a compliance officer of CITIC-Prudential Life Insurance Company Limited from January 2006 to December 2007, as the assistant compliance manager and compliance manager of American International Assurance Company (Bermuda) Limited from January 2003 to January 2006. Mr. Lo joined Hong Kong Exchanges and Clearing Limited in June 2001 and was an assistant manager of the group international audit business unit prior to his departure in January 2003. He worked for First Pacific Bank Limited from December 1999 to May 2001 with his last position being a manager and was an associate and senior associate of PricewaterhouseCoopers Ltd. from April 1997 to December 1999. Mr. Lo also practised audits and accountancy in W. M. Sum & Co. from September 1994 to March 1997.

Mr. Lo obtained a master's degree of science in computer science from Victoria University of Technology, Australia, in February 2004 and bachelor's degree of business administration in applied economics from Hong Kong Baptist University in December 1994.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu Boyang, aged 54, joined the Group in January 2015. Mr. Liu is an Executive Vice President of the Group and is responsible for business development in new markets, investments, merger and acquisition projects, and capital structure and capital allocation analysis for the Group's project investments.

Mr. Liu has over 20 years of experience in investment banking, strategic investment and private equity investment. Before joining the Group, he served as the managing director of Guangdong Success Capital Partners Limited from January 2014 to December 2014, co-founder and chief financial officer of NovaSolar Limited from May 2011 to May 2014, and chief financial officer of Dongjiang Environmental (HK) Co., Limited, a subsidiary of Dongjiang Environmental Company Limited (listed on the Stock Exchange, stock code: 895), from November 2007 to April 2010. Prior to that, he held various management positions in strategic planning, investment management and investment banking including as the Senior Finance Manager of PayPal Inc. from October 2005 to September 2007, as a manager in the financial strategy and analysis group of HSBC Card Services (under HSBC Bank USA, N.A.) from August 2004 to October 2005, worked at Byron Venture Partners L.P. from July 2001 to May 2004, and as the investment banking associate of J.P. Morgan Securities Inc. from July 2000 to June 2001.

Mr. Liu obtained a master's degree of business administration from the Wharton School, University of Pennsylvania, the United States, in May 2000, a master of science in environmental engineering from the University of Connecticut, the United States, in August 1998, and a bachelor of science in nuclear engineering from Tsinghua University, the PRC, in July 1993.

Mr. Luo Yi, aged 53, joined the Group in December 2023. Mr. Luo is an Executive Vice President of the Group and is responsible for the Group's business development, general management and day-to-day operation in Indonesia and other Southeast Asian regions.

Mr. Luo has extensive experience in overseas engineering market development and project management. He served as Deputy General Manager and General Manager for power projects in Indonesia of CNTIC from 2007 to 2020; and Deputy Manager (Power Plant Engineering) of China DC Technical Import & Export Corporation (中國大千技術進出口有限公司) from 2019 to 2023.

Mr. Luo graduated from Beijing International Studies University, the PRC, in 1994 with a bachelor's degree in international economics.

Mr. Cheng Yong, aged 52, joined the Group in December 2023. Mr. Cheng is an Executive Vice President of the Group and is responsible for business development and the Group's general management and day-to-day operation in Myanmar and China. He also oversees the functions of the executive office and sustainable development of the Group.

Mr. Cheng has extensive experience in overseas engineering project development and execution and company comprehensive management. He served as the General Manager (Overseas Business) of CNTIC from 2016 to 2020 and assumed managerial position in CNTIC VPower Group Holdings Limited, a joint venture company of the Group, from 2020 to 2021 and served as an office director of CNTIC and secretary of the company's discipline inspection commission of CNTIC from 2021 to 2023.

Mr. Cheng graduated from Beijing Foreign Studies University, the PRC, in 1995 with a bachelor's degree in Spanish.

The board of directors (the "**Board**") of VPower Group International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance. The Board recognises that sound and effective corporate governance practices are fundamental to the smooth, effective and transparent operation of a company and safeguard the interests of the shareholders of the Company (the "**Shareholders**") and other stakeholders of the Group.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 31 December 2024, the Company had complied with all the applicable code provisions of the Corporate Governance Code ("**Code Provisions**") set out in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries with all directors of the Company (the "**Directors**"), the Company was not aware of any non-compliance with the required standard set out in the Model Code regarding securities transactions by the Directors during the year ended 31 December 2024.

BOARD OF DIRECTORS

Board's Role and Function

The Board takes responsibility for the formulation of the overall strategy, leadership and control of the Group such as the Group's long-term objectives and strategies, the Group's corporate and capital structure, financial reporting, internal controls and risk management, communication with the Shareholders, appointment and remuneration of board members and corporate governance matters.

The Group instils a culture that respects and promotes communication and exchange of views and integrity in workplace. The Board sets the tone and shapes the corporate culture of the Company, which is underpinned by the core values of acting lawfully, ethically and responsibly across all levels of the Group. The Board plays a leading role in defining the purpose, values and strategic direction of the Group, which is to deliver with focus and professionalism; to care for community and people; and to innovate for the future and next generation. The desired culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relations with stakeholders. Board oversight of culture encompasses a range of measures and tools over time, including employee retention and training, whistleblowing framework, legal and regulatory compliance. Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, value and strategy of the Group are aligned.

Board's Delegation

The Board, led by the Chairman, approves and monitors group-wide strategies and policies, evaluates the performance of the Group and supervises the management and operation teams. To enhance efficiency, the Board has delegated to the Chief Executive Officer the leadership and management of the Group with the assistance of the executives and managers of the Group.

Board's Responsibilities for the Consolidated Financial Statements

The Board acknowledges its responsibilities in preparing the consolidated financial statements of the Group and ensuring that the preparation of the consolidated financial statements of the Group is in accordance with the statutory requirements, the Listing Rules and applicable standards.

During the year ended 31 December 2024, the Group incurred a net loss of HK$232.6 million and the Group had net current assets of HK$157.3 million as at 31 December 2024. The current liabilities included bank and other borrowings of HK$2,131.8 million which have all been classified as current liabilities because the Group had failed to repay these bank and other borrowings in accordance with the repayment schedules during the year and up to the date of approval of the consolidated financial statements of the Group for the year ended 31 December 2024 (the "**Financial Statements**"). The Group had cash and cash equivalents amounted to HK$122.8 million as at 31 December 2024. Subsequent to the end of the reporting period and up to the date of approval of the Financial Statements, the Group had not yet obtained any waiver confirmation in writing from the relevant banks on its non-repayment of outstanding loan amounts due, together with interests accrued and non-compliance with certain loan covenants. The above conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Nevertheless, the Directors have reviewed the Group's cash flow projections which cover a period of not less than 12 months from 31 December 2024 prepared by the management, and are of the opinion that, taking into account of the plans and measures, including, inter alia, paragraphs (i) to (iii) under note 3.1 to the Financial Statements, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due for within the next 12 months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the Financial Statements on a going concern basis.

The Audit Committee of the Company had carefully considered and reviewed the disclosure made by our independent auditors regarding the material uncertainty relating to going concern, the management's position and the plans and measures undertaken by the Group to address the issue.

The statement of the external auditor of the Company concerning its reporting responsibilities on the Financial Statements is set out in the Independent Auditor's Report on pages 61 to 66 of the annual report, of which this corporate governance report forms part (the "**Annual Report**").

Board Composition

The composition of the Board during the year ended 31 December 2024 and up to the date of this report is as follows:

BOARD OF DIRECTORS	
Executive Directors	Mr. Gao Zhan, *Chairman* *(appointed with effect from 16 August 2024)* Mr. Lam Yee Chun, *Chief Executive Officer* Mr. Lu Weijun Mr. Jin Jiantang, *Chief Financial Officer* Mr. Wang Jiachang *(appointed with effect from 1 January 2025)* Dr. Kang Hubiao, *Chairman* *(resigned with effect from 16 August 2024)* Mr. Li Haifeng *(resigned with effect from 1 January 2025)*
Non-executive Director	Mr. Wong Kwok Yiu
Independent Non-executive Directors	Mr. Suen Wai Yu Dr. Wang Zheng Dr. Lin Tun
BOARD COMMITTEES	
Audit Committee	Dr. Wang Zheng, *Chairman* Mr. Suen Wai Yu Dr. Lin Tun
Remuneration Committee	Dr. Wang Zheng, *Chairman* Mr. Suen Wai Yu Dr. Lin Tun
Nomination Committee	Mr. Gao Zhan, *Chairman* *(appointed with effect from 16 August 2024)* Dr. Wang Zheng Dr. Lin Tun Dr. Kang Hubiao, *Chairman* *(resigned with effect from 16 August 2024)*

There is no relationship (including financial, business, family or other material relationship) among members of the Board.

Save as the aforesaid changes, there was no other change to the composition of the Board or the Board committees during the year ended 31 December 2024 and up to the date of this report. Brief biographical details of each Director (including his/her age, gender, term of office, professional qualification and work experience) are set out under the section headed "Directors and Senior Management" on pages 15 to 19 of the Annual Report and "Board Tenure" on page 26 of the Annual Report respectively.

Each of Mr. Gao Zhan and Mr. Wang Jiachang had obtained the legal advice referred to in Rule 3.09D of the Listing Rules respectively on 2 August 2024 and 19 December 2024, and each of them has confirmed his understanding of the obligations as a director of a listed issuer in Hong Kong.

The Board believes that the balance between Executive and Non-executive Directors (including Independent Non-executive Directors) is adequate to provide sufficient checks and balances that safeguard the interests of the shareholders of the Company and the Group. Non-executive Directors and Independent Non-executive Directors provide the Group with diversified expertise and experience, their views and participation in Board and committee meetings bring independent judgment and advice to the Board. During the year ended 31 December 2024, regular board meetings with open discussions among the Directors were held to discuss and approve significant business and financial matters and the Chairman had meeting with the three Independent Non-executive Directors without the presence of other Directors.

An Independent Non-executive Director is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence. No such notification was received during the year ended 31 December 2024. The Company has received a written confirmation on independence from each Independent Non-executive Director and considers all of the Independent Non-executive Directors to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

Taking into account all of the above, the Company considers that board independence is maintained.

Chairman and Chief Executive Officer

The Chairman (Dr. Kang Hubiao prior to 16 August 2024; and Mr. Gao Zhan from 16 August 2024) is responsible for overseeing the function of the Board and, with the support of Executive Directors and the management team, seeking to ensure that all Directors are properly briefed on issues arising at Board meetings and that they receive adequate and reliable information timely. The Chief Executive Officer (Mr. Lam Yee Chun) is responsible for managing the business of the Group and leading the senior management members to implement strategies and to achieve objectives of the Board.

Board Meetings and Process

The Board held eight meetings during the year ended 31 December 2024, members of the senior management and project managers are invited to attend Board meetings to brief the Board members on issues considered by the Board where appropriate.

Directors' attendance record of board meetings and Shareholders' meetings held during the year ended 31 December 2024 is as follows:

		Board Committees			
	Board	Audit	Remuneration	Nomination	Shareholders
Number of meetings held during the year	8	6	1	2	2
Executive Directors					
Mr. Gao Zhan, *Chairman* *(appointed with effect from 16 August 2024)*	2/2	—	—	1/1	1/1
Mr. Lam Yee Chun, *Chief Executive Officer*	8/8	—	—	—	2/2
Mr. Lu Weijun	7/8	—	—	—	0/2
Mr. Jin Jiantang, *Chief Financial Officer*	8/8	—	—	—	2/2
Dr. Kang Hubiao, *Chairman* *(resigned with effect from 16 August 2024)*	6/6	—	—	1/1	1/1
Mr. Li Haifeng *(resigned with effect from 1 January 2025)*	8/8	—	—	—	1/2
Non-executive Director					
Mr. Wong Kwok Yiu	7/8	—	—	—	1/2
Independent Non-executive Directors					
Mr. Suen Wai Yu	7/8	5/6	1/1	—	2/2
Dr. Wang Zheng	8/8	6/6	1/1	2/2	2/2
Dr. Lin Tun	8/8	6/6	1/1	2/2	2/2

Board Tenure

As stipulated in the Company's Articles of Association, all Directors (including Non-executive Directors) are required to retire by rotation at least once every three years and may seek for re-election at annual general meetings. At each annual general meeting, one-third of the Directors shall retire from office. Any new Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board is subject to re-election by Shareholders at the first annual general meeting after the appointment.

Mr. Gao Zhan, an Executive Director, has entered into a director's service agreement with the Company for a term commencing from 16 August 2024 to 31 December 2026, subject to retirement by rotation and termination in accordance with its terms.

Each of Mr. Lam Yee Chun, Mr. Lu Weijun, Mr. Jin Jiantang and Mr. Wang Jiachang, all Executive Directors, has entered into a director's service agreement with the Company for a term commencing from 1 January 2025 to 31 December 2026, subject to retirement by rotation and termination in accordance with its terms.

Mr. Wong Kwok Yiu, a Non-executive Director, has entered into a letter of appointment with the Company for a term from 1 January 2025 to 31 December 2026, subject to retirement by rotation and termination in accordance with its terms.

Each of Mr. Suen Wai Yu, Dr. Wang Zheng and Dr. Lin Tun, all Independent Non-executive Directors, has entered into a letter of appointment with the Company for a term from 1 January 2025 to 31 December 2026, subject to retirement by rotation and termination in accordance with its terms.

The director's service agreement of each of Dr. Kang Hubiao and Mr. Li Haifeng, both ex-Executive Directors, was terminated with effect from 16 August 2024 and 1 January 2025, respectively, upon their respective resignation.

Directors' Commitments

All Directors are committed to devoting sufficient time and attention to the affairs of the Group. They have disclosed to the Company the identity of public companies or organisations in which they have held offices, and the number and nature of the offices, as well as other significant commitments and are required to notify the Company of any changes of such information in a timely manner. Every Director has demonstrated that he or she gives sufficient time to the affairs of the Group.

Training and Professional Development

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company also organises and arranges seminars (or webinars) for and/or provides relevant training materials to Directors to help them understand the roles, functions and duties of being a director of a listed company and regulatory updates.

During the year ended 31 December 2024, the Company provided training materials (including the training materials regarding anti-corruption) for the Directors to keep them abreast of the latest development of, among other things, legal and other regulatory requirements and corporate governance practices. The Company has received the records of training from all the Directors who participated in the following trainings:

	Types of training	
	Attending seminar/ conference/forum/ e-learning/webinar	**Reading articles/ newsletters/other materials about regulatory or industry or director's duties related updates**
Executive Directors		
Mr. Gao Zhan, *Chairman* *(appointed with effect from 16 August 2024)*	✓	✓
Mr. Lam Yee Chun, *Chief Executive Officer*	✓	✓
Mr. Lu Weijun	✓	✓
Mr. Jin Jiantang, *Chief Financial Officer*	✓	✓
Dr. Kang Hubiao, *Chairman* *(resigned with effect from 16 August 2024)*	✓	✓
Mr. Li Haifeng *(resigned with effect from 1 January 2025)*	✓	✓
Non-executive Director		
Mr. Wong Kwok Yiu	✓	✓
Independent Non-executive Directors		
Mr. Suen Wai Yu	✓	✓
Dr. Wang Zheng	✓	✓
Dr. Lin Tun	✓	✓

BOARD COMMITTEES

The Board has established three Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee; each having specific roles, authorities and functions as detailed in the respective written terms of reference which are available on the Company's website (*www.vpower.com*).

Audit Committee

Composition	**Independent Non-executive Directors** Dr. Wang Zheng *(Chairman)* Mr. Suen Wai Yu Dr. Lin Tun
Role and functions	(a) Consider the appointment of external auditor and its resignation or dismissal (b) Discuss with the external auditor before the audit commences, the nature and scope of the audit (c) Review half-year and annual financial statements before submission to the Board (d) Discuss matters arising from the audit, and any matters the external auditor may wish to discuss (e) Review the Group's risk management and internal control systems (f) Review the Company's corporate governance matters
Summary of work performed in 2024	(a) Reviewed unaudited interim consolidated financial statements and audited annual consolidated financial statements of the Group with a recommendation to the Board for approval (b) Reviewed internal control and risk management of the Group (c) Reviewed progress reports on internal control, risk management and internal audit work implemented/planned by the Group (d) Reviewed the Company's corporate governance matters (e) Discussed the audit planning of the Group for the year ended 31 December 2023 with Ernst & Young ("**EY**", the former external auditor of the Company) (f) Approved the provision of non-audit services by EY (g) Considered the appointment of Deloitte Touche Tohmatsu ("**Deloitte**") as the new external auditor of the Company with a recommendation to the Board for approval (h) Discussed the audit planning of the Group for the year ended 31 December 2024 with Deloitte (i) Approved the provision of non-audit services by Deloitte

Remuneration Committee

Composition	**Independent Non-executive Directors** Dr. Wang Zheng *(Chairman)* Mr. Suen Wai Yu Dr. Lin Tun
Role and functions	(a) Consider the Company's policy and structure of remuneration of the Directors and the senior management members of the Group (b) Review and approve the managements' remuneration proposals with reference to the Group's goals and objectives (c) Make recommendations to the Board on the remuneration packages of individual Directors and the senior management members of the Group (d) Consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions in the Group (e) Review and approve compensation payable to Directors and the senior management members relating to any loss or termination of their office or appointment (f) Review and approve compensation arrangements relating to dismissal or removal of directors for misconduct (g) Ensure that no director or any of his/her associates is involved in deciding his/her own remuneration (h) Review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules, if any
Summary of work performed in 2024	(a) Reviewed the Company's policy and structure of remuneration of the Directors and the senior management members of the Group (b) Reviewed the remuneration packages of Directors for the year ended 31 December 2024 (c) Reviewed the proposed terms of appointment of the newly-appointed executive Directors with a recommendation to the Board for approval (d) Reviewed the renewal of the directors' service agreements and letters of appointment of seven current directors with a recommendation to the Board for approval

Remuneration of Senior Management

Details of the remuneration of each Director and 5 highest paid employees for the year ended 31 December 2024 are set out in notes 10 and 11 to the financial statements, respectively. For the year ended 31 December 2024, the remuneration of the members of the non-director senior management as at 31 December 2024 by band is set out below:

Band of remuneration (HK$)	number of individuals
1,000,000 to 2,000,000	2
2,000,001 to 3,000,000	3

Nomination Committee

Composition	Independent Non-executive Directors	Executive Directors
	Dr. Wang Zheng Dr. Lin Tun	Mr. Gao Zhan *(Chairman)* *(appointed with effect from 16 August 2024)* Dr. Kang Hubiao *(Chairman)* *(resigned with effect from 16 August 2024)*

Role and functions^

(a) Review the structure, size and composition of the Board at least annually, assist the Board in maintaining a board skills matrix and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy
(b) Identify individuals suitably qualified to become members of the Board and the senior management and select or make recommendations to the Board on the selection of individuals nominated for directorships and members of the senior management
(c) Assess the independence of Independent Non-executive Directors
(d) Make recommendations to the Board on the appointment, re-election or removal of Directors, the appointment or termination of employment of any members of the senior management, and the succession planning for directors and the chief executive(s)
(e) Support the regular evaluation of the Board's performance and at least annually assess each director's time commitment, contribution to the Board and the director's ability to discharge his or her responsibilities effectively
(f) Review the board diversity policy

Summary of work performed in 2024

(a) Nominated the retiring Directors for re-election by Shareholders at the annual general meeting of the Company held in 2024
(b) Reviewed and assessed individual Independent Non-executive Director's annual confirmation of independence declared pursuant to Rule 3.13 of the Listing Rules
(c) Reviewed the implementation and effectiveness of the mechanism that ensure independent views and input are available to the Board
(d) Reviewed the structure, size and composition of the Board
(e) Reviewed the board diversity policy and its implementation and effectiveness
(f) Considered the proposed appointments of two Executive Directors (including Chairman), with a recommendation to the Board for approval

^ The terms of reference of Nomination Committee were amended as approved by the Board taking effect on 28 March 2025. The amended terms of reference incorporated amendments to the Listing Rules, which shall take effect in July 2025, include the duty of the Nomination Committee in assisting the Board in maintaining a board skills matrix and supporting the Company's regular evaluation of the Board's performance.

GOVERNANCE POLICIES

Anti-Bribery and Corruption Policy

The Group maintains an anti-bribery and corruption policy which establishes certain controls to ensure the Group's business is conducted and in compliance with all applicable anti-bribery and anti-corruption regulations in a socially responsible manner. The policy applies to all individuals working at all levels and grades. Under the policy:

(a) employees must not engage or attempt to engage in any form of corruption, bribery, either directly or through any third party;

(b) all existing and new employees receive regular, relevant training on how to implement and adhere to the policy; and

(c) a channel and reporting mechanism for employees to lodge complaints for any corruptions, bribery and other fraudulent behaviours and misconduct is in place for independent analyses and necessary follow up.

Whistleblowing Policy

The Company is committed to maintaining good corporate governance with accountability and transparency. It encourages employees and other parties who deal with the Company (e.g. consultants, suppliers, customers) to raise concerns about any suspected misconduct, malpractice or irregularity related to the Company. Under the Company's Whistleblowing Policy:

(a) reporting channels and guidance are provided for all stakeholders to raise concerns, in confidence and anonymity, about possible improprieties in any matter related to the Company;

(b) any individual making genuine reports are assured of fair treatment; and

(c) the Audit Committee has overall responsibility for implementation, monitoring and periodic review of the policy.

Board Diversity Policy

The Company's board diversity policy sets out the approach to achieve diversity on the Board. Under the policy:

(a) the Company recognises the benefits of having a diverse Board, and sees diversity at Board level as an essential element in achieving a sustainable and balanced development of the Company; and

(b) selection of candidates for directorship with the Company will be based on diversity of perspectives which can be achieved through consideration of a number of factors including but not limited to gender, cultural and educational background, regional and industry experience, talents and skills.

The Nomination Committee monitors the implementation of the board diversity policy and reviews the policy annually.

The Company aims to maintain an appropriate balance of diversity perspectives of the Board in support of the attainment of its strategic objectives and its sustainable development. During the year ended 31 December 2024, the Board reviewed the implementation and effectiveness of the board diversity policy and discussed measurable objectives, including but not limited to gender, cultural and educational background, regional and industry experience, talents and skills, and agreed that these measurable objectives were achieved for the diversity of the Board which contributed to the corporate strategy and the business development of the Company. The Directors' biographical information is set out on pages 15 to 19.

As at the date of the Directors' Report, the Board has one female Director and eight male Directors and the Directors come from a variety of different backgrounds and have a diverse range of business, financial services and professional experience. The Company is committed to improving the diversity of the Board based on its needs and as and when suitable candidates are identified. The Board targets to maintain at least the current level of female representation. The Company will ensure that gender diversity is taken into account when recruiting staff members of mid to senior level and ensure that sufficient resources are available for providing appropriate training and career development to develop a pipeline of potential successors to the Board and maintain gender diversity.

For the year ended 31 December 2024, the members of the senior management consist of male only and the proportion of male and female of the total workforce of the Group is 286:94. Details of the relevant data of the Group's workforce are set out in the 2024 Sustainability Report of the Company. The Group considers that consideration of various factors including ability, expertise, experience, fitness for the position and integrity of the candidates and staff members fairly is of the utmost importance in recruitment and promotion, and the Group is committed to equal opportunities and it does not consider appropriate to set, achieve or maintain a target gender ratio of workforce arbitrarily as the labour market of each region, sector and occupation may have its prevailing phenomenon in gender diversity and which may also change over time.

Nomination Policy

The Company's nomination policy sets out the principles to nominate a suitable candidate to the Board for appointment. Under the policy:

(a) the Company recognises the importance of having the comprehensive nomination principles to identify and evaluate a candidate for nomination to the Board; and

(b) nomination of candidates for directorship with the Company will be based on diversity of perspectives which can be achieved through consideration of a number of factors including but not limited to skills and experience, diversity, time commitment, standing of individuals and independence (for Independent Non-executive Directors).

Remuneration Policy

The Company's remuneration policy sets out the principles based on which remuneration packages of individual directors of the Company are determined. Under the policy:

(a) the remunerations of the Directors are determined with reference to the Board's corporate goals and objectives as well as salaries paid by comparable companies, time commitment and responsibilities and employment conditions;

(b) the remuneration packages and benefits offered by the Company aim to be fair, reasonable and competitive in the current market conditions and compared with other companies of a similar size, business nature and scope as the Company; and

(c) Executive Directors may also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for the Group's system of corporate governance and has performed and reviewed the corporate governance functions timely as required under the Corporate Governance Code set out in Appendix C1 of the Listing Rules. During the year ended 31 December 2024, the Audit Committee, the management team and executives of the Group, with powers delegated by the Board, reviewed and monitored the Company's policies and practices relating to corporate governance and the Group's compliance with the Listing Rules including the Code Provisions from time to time.

The Board has applied the principles of the Corporate Governance Code to its corporate governance structure and practices.

COMPANY SECRETARY

Ms. Wong Wai Man is the legal counsel of the Group and the Company Secretary of the Company. She is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. All Directors have access to the Company Secretary for professional advice and services. The Company Secretary assists the Board in corporate governance matters and facilitates professional development of directors. During the year ended 31 December 2024, Ms. Wong had relevant professional training of not less than 15 hours.

EXTERNAL AUDITOR

Having considered that Ernst & Young ("**EY**") has served as the external auditor of the Company for over seven consecutive years, and the audit fees involved, the Board, on the recommendation of the Audit Committee of the Company (the "**Audit Committee**"), resolved to propose to the Shareholders at the annual general meeting of the Company (the "**2024 AGM**") held on 18 June 2024 to approve the appointment of Deloitte Touche Tohmatsu ("**Deloitte**") as the new external auditor of the Company with effect from the retirement of EY at the conclusion of the 2024 AGM, and such proposal was approved by the Shareholders.

In order to maintain independence, Deloitte primarily provides audit services in connection with the Group's consolidated financial statements, and only provides non-audit services that do not impair their independence or objectivity, such as limited tax compliance and advisory services, and engagement(s) of Deloitte for non-audit services are carefully considered by the Audit Committee.

Remuneration paid or payable to EY for audit and non-audit services for the year ended 31 December 2024 is set out below:

	HK$'000
Audit services	167
Non-audit services	
Tax compliance and advisory services	873
Total	1,040

Remuneration paid or payable to Deloitte for audit and non-audit services for the year ended 31 December 2024 is set out below:

	HK$'000
Audit services	5,436
Non-audit services	
Tax compliance and advisory services	784
Assurance and other services	1,400
Total	7,620

RISK MANAGEMENT AND INTERNAL CONTROL

The Board holds ultimate responsibility for the design, implementation and monitoring the Group's internal control systems and risk management procedures. Acknowledging the fact that the risk of failure to achieve business objectives cannot be eliminated, the Board conducts regular review and evaluation of the effectiveness of the Group's risk management and internal control systems with the support of the internal audit department of the Group.

The internal audit department is entrusted with providing the Board with reasonable assurance that the risk management and internal control systems of the Group are sound and effective. In performing its duties, the internal audit department undertakes comprehensive audits and prepares a Group Risk Register which is compiled by analysing key risks and the mitigating measures implemented by the relevant business units. The Group Risk Register is reported to the Audit Committee bi-annually.

In addition to overseeing risk management, the Board regularly reviews the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions, as well as those relating to the Company's environmental, social and governance performance and reporting.

The internal audit department has reviewed the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2024 and found them effective and adequate. Details of the Group's key risks and mitigating measures are discussed under the section headed "Risk Management" on pages 57 to 60 of the Annual Report.

DISCLOSURE OF INSIDE INFORMATION

The Company's management assesses the likely impact of the occurrence of significant events that may impact the price of the shares of the Company or their trading volume, and where appropriate, consults professional advisers and disclose inside information to the public by way of announcement in compliance with the Listing Rules and the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Company maintains an Inside Information Policy. Under the policy:

(a) the Company shall take reasonable precautions for preserving the confidentiality of inside information before disclosure to the public, for instance, the disclosure of confidential information is absolutely restricted to core team members within the Group on a "need-to-know" basis;

(b) the Company has maintained an internal control and reporting systems for escalation of potential inside information to the directors of the Company; and

(c) the management team of the Group reviews the relevant control and reporting systems from time to time to ensure that they remain effective for compliance with the applicable laws and regulations.

SHAREHOLDERS

Communication with Shareholders

As part of corporate governance, the Company is committed to safeguarding Shareholders' interests. To achieve this, the Company has established a shareholders' communication policy (which is available on the Company's website (*www.vpower.com*)) and various channels of communication with the Shareholders and investment community.

The Company regards its Shareholders' meeting as a valuable forum for the Shareholders to raise comments and exchange views with the Board. All our Directors and executives make effort to attend Shareholders' meeting and address queries from Shareholders.

During the year ended 31 December 2024, the Company held two shareholders' meetings. Voting on resolutions put forward at the meeting was taken by way of poll and the poll results are published on the websites of the Company (*www.vpower.com*) and the Stock Exchange.

Apart from holding Shareholders' meetings, the Company also endeavours to maintain effective communication with the Shareholders through other channels such as publication of annual and interim reports, announcements and circulars, all of which are available on the websites of the Company (*www.vpower.com*) and the Stock Exchange, so as to provide information on the Group's activities, financial position, business strategies and developments to enable them to make informed decision on matters relating to their investment and exercise of their rights as Shareholders.

The Company's website is an effective means of communication with Shareholders. Any Shareholders who have comments for the Group are most welcomed to contact the Company at any time through the contact channels set out on the Company's website (*www.vpower.com*). In addition, Shareholders can contact the Company's branch share registrar in Hong Kong (the "**Branch Share Registrar**"), Computershare Hong Kong Investor Services Limited, through the contact channels set out on the website of the Branch Share Registrar (*www.computershare.com/hk/contact*) if they have any enquiries about their shareholdings and entitlements.

Corporate communications are provided to Shareholders in both English and Chinese. Shareholders have the right to choose/change their means of receipt (print or electronic) free of charge, at any time, with reasonable notice in writing or by email (*vpower.ecom@computershare.com.hk*), to the Branch Share Registrar.

With the above measures in place, the shareholders' communication policy is considered to have been effectively implemented.

Shareholders' Rights

The Company recognises the importance of ensuring protection of Shareholders' rights. Under the Company's Articles of Association, all Shareholders are entitled to attend or be represented by proxy and vote at general meetings; and Shareholders holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings have the right to require an extraordinary general meeting to be convened and propose transaction of business by written requisition to the Board or the Company Secretary at the Company's Hong Kong office at Units 2701-05, 27/F, Office Tower 1, The Harbourfront, 18–22 Tak Fung Street, Hung Hom, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, contact details and the proposal he/she intends to put forward at the general meeting regarding any specified business and its supporting documents..

Shareholders have the right to propose person for election as director. The relevant procedure for proposing a person for election as Director is set out under "About VPower — Corporate Governance" of the Company's website (*www.vpower.com*).

DIVIDEND POLICY

The Company maintains a dividend policy which sets out the approach to declare and distribute dividends to the Shareholders. Under the policy:

- the Board may make recommendation to the Shareholders on the distribution of final dividends and may from time to time pay to the Shareholders interim dividends based on the financial position of the Company;

- the Company's ability to declare dividends will depend on, among others, the operating results and earnings, capital requirements, general financial condition, prevailing economic environment and other factors of the Company which the Board then considers relevant;

- the Company's declaration and payment of dividends shall also comply with, among other things, the Articles of Association of the Company as well as other applicable laws, rules and regulations.

CONSTITUTIONAL DOCUMENTS

The Company's Memorandum of Association and Articles of Association (in both English and Chinese) are available on the websites of the Company (*www.vpower.com*) and the Stock Exchange.

No amendments were made to the Memorandum of Association and Articles of Association of the Company during the year ended 31 December 2024.

DIRECTORS' REPORT

The directors of the Company (the "**Directors**") have pleasure in presenting the annual report and the audited consolidated financial statements of VPower Group International Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 42 to the audited consolidated financial statements for the year ended 31 December 2024 (the "**Financial Statements**") on page 163 of the annual report, of which this directors' report forms part (the "**Annual Report**"). There was no significant change in the nature of the Group's principal activities during the year.

BUSINESS REVIEW

Business Review and Future Development

The discussion on business review and future development of the Group for the year ended 31 December 2024 are set out under the section headed "Chairman's Statement" on pages 4 to 7 of the Annual Report and "Management Discussion and Analysis" on pages 8 to 14 of the Annual Report respectively.

Key Risks

The discussion on key risks of the Group and our responses and mitigating measures are set out under the section headed "Risk Management" on pages 57 to 60 of the Annual Report.

Discussion on Environmental Policies and Performance and Legal and Compliance

Environmental Policies and Performance

The Group, as a responsible provider of distributed power generation solutions, is dedicated to environmental protection. It has adopted various strategies, policies and arrangements in respect of greenhouse gas emissions, energy consumption, water resources consumption and waste management in its operations, details of which are discussed in the 2024 Sustainability Report of the Group. The Group pays great attention to its carbon footprints and has set a long-term target of carbon neutrality by 2050. To reduce emissions from the source, the Group actively promotes the use of natural gas, biogas and renewables in replacement of coal and diesel in power generation. It closely monitors the operational efficiency of its gen-sets and adopts green technologies such as waste-to-energy solutions and selective catalytic reduction system so as to control the emissions from operation.

Legal and Compliance

During the year ended 31 December 2024, the Group did not identify any confirmed non-compliance incident in relation to environment, employment and health and safety that would have a significant impact on the Group.

Environment

The Group is required to comply with the laws and regulations on air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste, etc. Violation of any of applicable environmental laws and regulations may result in penalties, operation suspension, or legal action against the Group.

Employment

The Group is required to comply with the legal obligations and responsibilities of employers to provide employment protection and benefits covering compensation and dismissal, working hours, rest periods, equal opportunity, anti-discrimination, and other benefits and welfare, etc.

Health and Safety

The Group is required to comply with laws and regulations which provide requirements to safeguard work safety and protection of employees from occupational hazards.

Relationship with Stakeholders

Communication with employees, investors, customers, suppliers, regulators, community representatives and other stakeholders forms an integral part of the Group's daily operations. Various communication channels have been established to achieve open and effective communication. The Group also conducts stakeholder engagement questionnaire every year to gather stakeholders' insights and prioritisation of material topics. Through constant communication and regular contact with a wide range of stakeholders, we expect a deeper understanding of their concerns and expectations for the Group is developed which will be reflected in our management and strategies.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 and the financial position of the Group as at 31 December 2024 are set out in the Financial Statements on pages 67 to 70 of the Annual Report.

The board of directors of the Company (the "**Board**") did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend the forthcoming annual general meeting scheduled to be held on Thursday, 12 June 2025 (the "**2025 AGM**"), the register of members of the Company will be closed during the period commencing from Monday, 9 June 2025 to Thursday, 12 June 2025 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to qualify for attending and voting at the 2025 AGM, all transfer document(s), accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 6 June 2025.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Group for the last five financial years, is set out on page 166 of the Annual Report. The summary does not form part of the Financial Statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 December 2024 is set out in note 31 to the Financial Statements.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had sold any treasury shares (as defined under the Listing Rules) of the Company and there was no treasury shares (as defined under the Listing Rules) held by the Company as at 31 December 2024.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Associations, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders although there are no restrictions against such rights under the laws of Cayman Islands.

EVENT AFTER THE REPORTING PERIOD

There has been no significant event since the end of the reporting period and up to the date of this report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution amounted to HK$879.6 million.

DONATIONS

During the year, donations by the Group for charitable and other purposes amounted to HK$111,000.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, the aggregate percentage of sales attributable to the Group's five largest customers was approximately 75.0% of the Group's total revenue and the percentage of sales attributable to the Group's largest customer was approximately 48.4%.

For the year ended 31 December 2024, the aggregate percentage of purchases attributable to the Group's five largest suppliers was approximately 93.9% of the Group's total purchases and the percentage of purchases attributable to the Group's largest supplier was approximately 45.5%.

China National Technical Import & Export Corporation, the controlling shareholder of the Company, is one of the Group's five largest customers and suppliers for the year ended 31 December 2024. Please refer to the sections headed "Connected Transactions" and "Continuing Connected Transactions", respectively, on pages 49 to 55 of the Annual Report for details. Save as disclosed above, none of the Directors, any of their close associates or any shareholders (which to the best knowledge of the Directors own more than 5% of the Company's issued share capital (excluding treasury shares as defined under the Listing Rules)) had any beneficial interest in the Group's five largest customers or suppliers.

EQUITY-LINKED AGREEMENTS

During the year ended 31 December 2024, the Company maintained (i) a share option scheme; and (ii) a share award scheme, details of which are set out in the following sections headed "Share Option Scheme" and "Share Award Scheme" of this directors' report. Save as disclosed above, no equity-linked agreements were entered into by the Group during the year ended 31 December 2024 or subsisted at the end of the year.

ARRANGEMENTS TO PURCHASE SHARES

Save as disclosed under the following sections headed "Share Option Scheme" and "Share Award Scheme", at no time during the year ended 31 December 2024 or at the end of the year was the Company or any of its subsidiaries a party to any arrangements which enabled the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS

The Directors who held office during the year ended 31 December 2024 and up to the date of this report are:

Executive Directors

Mr. Gao Zhan, *Chairman*
(appointed with effect from 16 August 2024)
Mr. Lam Yee Chun, *Chief Executive Officer*
Mr. Lu Weijun
Mr. Jin Jiantang, *Chief Financial Officer*
Mr. Wang Jiachang
(appointed with effect from 1 January 2025)
Dr. Kang Hubiao, *Chairman*
(resigned with effect from 16 August 2024)
Mr. Li Haifeng
(resigned with effect from 1 January 2025)

Non-executive Director

Mr. Wong Kwok Yiu

Independent Non-executive Directors

Mr. Suen Wai Yu
Dr. Wang Zheng
Dr. Lin Tun

Pursuant to Article 84 of the Company's Articles of Association, one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company and retiring directors shall be eligible for re-election at that meeting. The Directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment and as between persons who became or were last re-elected Directors on the same day shall (unless they otherwise agree among themselves) be determined by lot. On this basis, Mr. Lam Yee Chun, Mr. Jin Jiantang and Mr. Wong Kwok Yiu shall retire by rotation at the 2025 AGM and, being eligible, have offered themselves for re-election.

Mr. Gao Zhan ("**Mr. Gao**") and Mr. Wang Jiachang ("**Mr. Wang**") were appointed as Executive Directors with effect from 16 August 2024 and 1 January 2025, respectively. In accordance with Article 83(3) of the Company's Articles of Association, Mr. Gao and Mr. Wang are subject to re-election at the forthcoming 2025 AGM and, being eligible, have offered themselves for re-election.

Details of the Directors standing for re-election at the 2025 AGM will be set out in the circular to be despatched to the shareholders of the Company.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of independence based on Rule 3.13 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Board considers each of the Independent Non-executive Directors to be independent.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 15 to 19 of the Annual Report.

DIRECTORS' SERVICE CONTRACTS

On 15 August 2024, Mr. Gao Zhan, an Executive Director, entered into a director's service agreement with the Company for a term commencing from 16 August 2024 to 31 December 2026, subject to retirement by rotation and termination in accordance with its terms.

On 20 December 2024, each of Mr. Lam Yee Chun, Mr. Lu Weijun, Mr. Jin Jiantang and Mr. Wang Jiachang, all Executive Directors, entered into a director's service agreement with the Company for a term commencing from 1 January 2025 to 31 December 2026, subject to retirement by rotation and termination in accordance with its terms.

On 20 December 2024, Mr. Wong Kwok Yiu, a Non-executive Director, entered into a letter of appointment with the Company for a term commencing from 1 January 2025 to 31 December 2026, subject to retirement by rotation and termination in accordance with its terms.

On 20 December 2024, each of Mr. Suen Wai Yu, Dr. Wang Zheng and Dr. Lin Tun, all Independent Non-executive Directors, entered into a letter of appointment with the Company for a term commencing from 1 January 2025 to 31 December 2026, subject to retirement by rotation and termination in accordance with its terms.

The director's service agreement of each of Dr. Kang Hubiao and Mr. Li Haifeng, both ex-Executive Directors, was terminated with effect from 16 August 2024 and 1 January 2025, respectively, upon the respective resignation of Dr. Kang Hubiao and Mr. Li Haifeng.

None of the Directors proposed for re-election at the 2025 AGM have a service agreement with the Company which is not determinable by the Company within one year without payment of compensation (other than the statutory compensation).

DIRECTORS' REMUNERATION

Remuneration of Directors is determined by the Board with reference to the prevailing directors' fees of comparable companies in Hong Kong, the duties and responsibilities of the Directors and the time commitment of the individual Directors.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

Save as disclosed under the sections headed "Connected Transactions" and "Continuing Connected Transactions" below, no contract of significance between the Company or its subsidiaries and a controlling shareholder of the Company or its subsidiaries subsisted at the end of the year ended 31 December 2024 or at any time during the year.

PERMITTED INDEMNITY PROVISION

As permitted by the Company's Articles of Association, the Directors and other officers shall be indemnified out of the Company's assets and profits against any liability incurred by such Directors or officers by reasons of act done or omitted in the execution of their duty, provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty which may attach to any of such Directors or officers. Such permitted indemnity provision has been in force throughout the year ended 31 December 2024 and is currently in force at the time of approval of this directors' report. The Company has arranged appropriate liability coverage for the Directors and officers of the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**")) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (c) which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") are as follows:

Name of Director	Capacity	Number of ordinary shares of the Company held	Approximate percentage of the issued shares capital *(Note 2)*
Mr. Lam Yee Chun ("**Mr. Lam**")	Interest of a controlled corporation	1,108,826,000 *(Note 3)*	16.59%
	Beneficial owner	2,605,000	0.04%
	Interest of spouse	388,288,000 *(Note 4)*	5.81%

Notes:

1. All the above interests in the shares of the Company were long positions. None of the Directors and the chief executive of the Company held any short positions in the shares or underlying shares of the Company and any of its associated corporations as at 31 December 2024.

2. Based on 6,683,150,524 shares of the Company in issue as at 31 December 2024.

3. Energy Garden Limited ("**Energy Garden**") is a controlled corporation of Sunpower Global Limited ("**Sunpower**"); and Mr. Lam holds the entire issued share capital of Sunpower. Mr. Lam is deemed to have interest in 1,108,826,000 shares of the Company held by Energy Garden. Security interest in respect of 778,133,000 shares out of these 1,108,826,000 shares was created in favour of a person other than a qualified lender.

4. Ms. Chan Mei Wan ("**Ms. Chan**"), the spouse of Mr. Lam, holds the entire issued share capital of Classic Legend Holdings Limited which holds 387,380,000 shares of the Company; and Ms. Chan is the beneficial owner of 908,000 shares in the Company. Under Division 2 and 3 of Part XV of the SFO, Mr. Lam is deemed to have interest in the aggregate of 388,288,000 shares in the Company in which his spouse has interest.

Save as disclosed above, as at 31 December 2024, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required to be recorded in the register of the Company required to be kept under section 352 of the SFO or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") on 24 October 2016 for the purpose of providing incentives and rewards to eligible participants (comprising directors, employees, advisers, consultants and business partners of the Group) for their contribution, and aligning the corporate objectives and interests between the Group and its key talents.

The Share Option Scheme shall be valid and effective for a period of 10 years from the adoption date, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to the termination of the Share Option Scheme and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme. As at 31 December 2024, the Share Option Scheme had a remaining life of approximately 1.5 years.

The maximum number of shares of the Company (the "**Shares**") which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other option scheme shall not exceed 30% of the issued share capital of the Company from time to time. The maximum number of Shares which may be issued upon exercise of all options that may be granted under the Share Option Scheme and other share option schemes shall not in aggregate exceed 10% of the issued share capital of the Company as of the date of listing of the Shares on the Stock Exchange under the existing mandate. On this basis, as at 1 January 2024 and 31 December 2024, the total number of Shares available for grant and available for issue (less those exercised, cancelled and lapsed) under the Share Option Scheme was 252,085,000, representing approximately 3.77% of the total number of Shares in issue (excluding treasury shares as defined under the Listing Rules) as at 1 January 2024, 31 December 2024 and the date of this report respectively. The maximum number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to any one person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the number of Shares in issue from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the board of the directors of the Company (the "**Board**") and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised in general. However, at the time of granting any option, the Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion. A grantee is required to pay HK$1 upon acceptance of the offer of options. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

(i) the closing price of a Share as stated in the Stock Exchange's daily quotation sheet on the date of grant of the relevant option;

(ii) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant option; and

(iii) the nominal value of a Share on the date of grant of the relevant option.

No option had yet been granted by the Board under the Share Option Scheme since its adoption and therefore there was no outstanding option as at both 1 January 2024 and 31 December 2024.

The Company had not fixed a service provider sublimit for the Share Option Scheme as at 31 December 2024.

SHARE AWARD SCHEME

The Company adopted a share award scheme on 18 July 2017 (the "**Share Award Scheme**") for the purpose of providing incentives and rewards to employees (including without limitation any executive directors) or consultants of the Group to recognise their contributions.

Subject to any early termination, the Share Award Scheme shall be valid and effective for a term of 10 years commencing from the adoption date. As at 31 December 2024, the Share Award Scheme had a remaining life of approximately 2.5 years.

Pursuant to the Share Award Scheme, the Board may, at its absolute discretion, grant Shares (the "**Awarded Shares**") to the aforesaid persons at no consideration (as payment upon acceptance or purchase price of the Awarded Shares) and impose conditions as it deems appropriate with respect to the vesting of the Awarded Shares on the grantees. The number of Awarded Shares available for grant under the Share Award Scheme (in the form of new Shares or existing Shares) as at 1 January 2024 and 31 December 2024 was 318,717,526 Shares, representing approximately 4.77% of the total number of Shares in issue as at 1 January 2024, 31 December 2024 and the date of this report, respectively. The maximum number of Awarded Shares which may be granted to a selected person under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

As at 31 December 2024, 13,666,803 Shares were held by the trustee on trust for the selected eligible persons.

During the year ended 31 December 2024, no Awarded Shares had been granted by the Board under the Share Award Scheme, no Awarded Shares was vested, cancelled or lapsed, and there was no outstanding unvested awards as at 1 January 2024 and 31 December 2024.

Under Chapter 17 of the Listing Rules, the grant of the Awarded Shares in the form of new Shares under the Share Award Scheme requires shareholders' scheme mandate.

No Share was available for issue under the Share Award Scheme as at the date of this report as the Company had not yet obtained from shareholders' a scheme mandate for issue of Awarded Shares in the form of new Shares.

The Company had not fixed a service provider sublimit for the Share Award Scheme as at 31 December 2024.

The number of Shares that may be issued in respect of options and awards granted under the Share Option Scheme and the Share Award Scheme during the year divided by the weighted average number of Shares in issue* (excluding treasury shares as defined under Listing Rules) for the year is 3.78%.

* *Please refer to Note 14 to Financial Statements on the calculation of the weighted average number of ordinary shares.*

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted as at 31 December 2024 or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024, each of Mr. Gao Zhan, Mr. Lu Weijun, Dr. Kang Hubiao and Mr. Li Haifeng, had interests in the following business of the group under China General Technology (Group) Holding Co., Ltd.*, which is considered to compete or be likely to compete, either directly or indirectly, with the business of the Group:

Name of Director	Name of Company	Interest in the Competing Business	Nature of the Competing Business
Mr. Gao Zhan *(appointed with effect from 16 August 2024)*	Genertec International Holding Co., Ltd.	Director	Investment in, construction and operation of overseas energy engineering projects
Mr. Lu Weijun	China National Technical Import & Export Corporation	Executive Director	Investment in, construction and operation of overseas energy engineering projects
Dr. Kang Hubiao *(resigned with effect from 16 August 2024)*	Genertec International Holding Co., Ltd.	Chairman of the board	Investment in, construction and operation of overseas energy engineering projects
Mr. Li Haifeng *(resigned with effect from 1 January 2025)*	CNTIC Capital (Hong Kong) Co., Limited	Director	Engineering contracting work of investment projects and trading of electrical equipment
	China National Energy Engineering & Construction Co., Ltd.	Director	Investment in, construction and operation of overseas energy engineering projects

As of the date of this directors' report, so far as the Directors were aware, none of the Directors had interest in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group save as disclosed above.

Despite the aforementioned, the Directors mentioned above have fulfilled and where they continue to be Directors, will continue to fulfil their fiduciary duties to ensure that they act in the best interests of the shareholders of the Company and the Company as a whole. Hence, the Group is capable of carrying on its business independent of and at arm's length from the competing businesses.

* China General Technology (Group) Holding Co., Ltd. engages in advanced manufacturing and technical services, medical and healthcare, and trade and engineering services, and it is the parent company of the controlling shareholder of the Company.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year ended 31 December 2024.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, so far as is known to the Directors and the chief executives of the Company, the interests and short positions of the substantial shareholders/other persons, other than Directors or chief executives of the Company, in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO are as follows:

Name of Shareholder	Capacity	Number of ordinary shares held *(Note 1)*	Approximate percentage of the issued share capital *(Note 2)*
China General Technology (Group) Holding Co., Ltd. ("**Genertec**")	Interest of a controlled corporation	4,068,590,511 *(Note 3)*	60.88%
Genertec Hong Kong International Capital Limited ("**Genertec Capital**")	Person having a security interest in shares	778,133,000 *(Note 3)*	11.64%
China National Technical Import & Export Corporation ("**CNTIC**")	Beneficial owner	3,290,457,511 *(Note 3)*	49.24%
Sunpower Global Limited ("**Sunpower**")	Interest of a controlled corporation	1,108,826,000 *(Note 4)*	16.59%
Energy Garden Limited ("**Energy Garden**")	Beneficial owner	1,108,826,000 *(Note 4)*	16.59%
海南天堃私募股權投資基金管理有限公司("**海南天堃**")	Interest of a controlled corporation	660,328,000 *(Note 5)*	9.88%
海南天坤天泰私募投資基金合伙企業(有限合伙) ("**海南天坤**")	Beneficial owner	660,328,000 *(Note 5)*	9.88%
Ms. Chan Mei Wan ("**Ms. Chan**")	Interest of a controlled corporation	387,380,000 *(Note 6)*	5.80%
	Beneficial owner	908,000	0.01%
	Interest of spouse	1,111,431,000 *(Note 7)*	16.63%
Classic Legend Holdings Limited ("**Classic Legend**")	Beneficial owner	387,380,000 *(Note 6)*	5.80%

Notes:

1. All the above interests in the shares of the Company and underlying shares of the Company were long positions.

2. Based on 6,683,150,524 shares of the Company in issue as at 31 December 2024.

3. Genertec Capital and CNTIC are controlled corporations of Genertec, therefore Genertec is deemed to have interest in the 778,133,000 shares and the 3,290,457,511 shares of the Company respectively held by Genertec Capital and CNTIC. Mr. Lu Weijun is the sole executive director of CNTIC.

4. Energy Garden is a controlled corporation of Sunpower, therefore Sunpower is deemed to have interest in the 1,108,826,000 shares of the Company held by Energy Garden. Mr. Lam holds the entire issued share capital of Sunpower, and is the sole director of each of Sunpower and Energy Garden.

5. 海南天坤 is a controlled corporation of 海南天堃, therefore 海南天堃 is deemed to have interest in the 660,328,000 shares held by 海南天坤.

6. Ms. Chan holds the entire issued share capital of Classic Legend which holds 387,380,000 shares of the Company.

7. Ms. Chan is the spouse of Mr. Lam. Under Division 2 and 3 of Part XV of the SFO, Ms. Chan is deemed to have interest in the aggregate of 1,111,431,000 shares of the Company in which her spouse has interest. For details of Mr. Lam's interest, please refer to his disclosure in "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares and Debentures" in this report.

Save as disclosed above, as at 31 December 2024, the Company had not been notified of any interests or short positions in the shares of the Company or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO.

CONNECTED TRANSACTIONS

1. Procurement Agreements

On 4 December 2023, (i) VPower Holdings Limited ("**VH**"), a wholly owned subsidiary of the Company, as the buyer and China National Technical Import & Export Corporation ("**CNTIC**"), the controlling shareholder of the Company, as the seller entered into three agreements in relation to the sale and purchase of certain engines (the "**Overseas Procurement Agreements**"); and pursuant to the Overseas Procurement Agreements, VH conditionally agreed to purchase from CNTIC those engines at the aggregate consideration of EUR8,177,530.00 (approximately HK$69,509,005.00); and (ii) VPower Engineering (Shenzhen) Limited (偉能機電設備(深圳)有限公司) ("**VPower Shenzhen**"), a wholly owned subsidiary of the Company), as the buyer and CNTIC as the seller entered into three agreements in relation to the sale and purchase of certain ancillary components (the "**PRC Procurement Agreements**"); and pursuant to the PRC Procurement Agreements, VPower Shenzhen conditionally agreed to purchase from CNTIC those ancillary components at the aggregate consideration of RMB10,869,684.00 (approximately HK$11,956,652.40). Completion of the aforesaid transactions took place during the period from December 2023 to March 2024.

As CNTIC is the controlling shareholder of the Company, CNTIC is a connected person of the Company under the Listing Rules. The transactions contemplated under the Overseas Procurement Agreements and the PRC Procurement Agreements constitute connected transactions of the Company which are subject to the reporting and announcement but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer to the Company's announcement dated 4 December 2023.

2. Facility Agreement

On 1 February 2024, the Company, as borrower, and Genertec Hong Kong International Capital Limited ("**Genertec Capital**"), as lender, entered into a facility agreement (the "**Facility Agreement**"), pursuant to which the Company acquired loans of US$50 million (approximately HK$390 million) from Genertec Capital on normal commercial terms and at an interest rate which is lower than the prevailing lending interest rates offered by commercial banks or other financial institutions in the market.

Genertec Capital is a wholly owned subsidiary of Genertec, which is the holding company of CNTIC and CNTIC is the controlling shareholder of the Company. Accordingly, Genertec Capital is a connected person of the Company under the Listing Rules. As the transaction contemplated under the Facility Agreement is conducted on normal commercial terms or better and the loan granted thereunder is not secured by any asset of the Group, the Facility Agreement constitutes a connected transaction of the Company which is exempted from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

3. Equipment Purchase Agreement

On 4 September 2024, CNTIC Capital (Hong Kong) Co., Limited ("**CNTIC Capital**") and CNTIC, as buyers, and VPower Group Holdings Limited, VH and VPower Myanmar Limited, all wholly owned subsidiaries of the Company, as sellers, entered into an equipment purchase agreement (the "**Equipment Purchase Agreement**"), pursuant to which the Group conditionally agreed to sell certain mobile power generating sets and their ancillary equipment and accessories to CNTIC Capital and CNTIC in batches at a total consideration equivalent to approximately RMB1,613 million. The closing of the sale of the equipment shall take place on a date to be mutually agreed between the parties in writing within six months from the satisfaction (or waiver in writing by the relevant buyer, where applicable) of the conditions of the Equipment Purchase Agreement on or before 16 May 2025, or such other date as may be agreed by the parties.

CNTIC is the controlling shareholder of the Company and CNTIC Capital is a 95% owned subsidiary of CNTIC. Accordingly, both CNTIC and CNTIC Capital are connected persons of the Company under the Listing Rules. The transactions contemplated under the Equipment Purchase Agreement 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.

For further details, please refer to the Company's announcements dated 4 September 2024, 28 November 2024 and 31 March 2025, respectively.

CONTINUING CONNECTED TRANSACTIONS

AGREEMENTS

1. Gen-sets Supply Framework Agreement

On 23 May 2024, VH, as supplier, and CNTIC, as purchaser, entered into a gen-sets supply framework agreement (the "**Gen-sets Supply Framework Agreement**") in relation to the supply of the gen-sets by VH to CNTIC during the twelve months ending 22 May 2025.

The Gen-sets Supply Framework Agreement was terminated with effect from 6 November 2024.

As CNTIC is the controlling shareholder of the Company, CNTIC is a connected person of the Company under the Listing Rules. The transactions contemplated under the Gen-sets Supply Framework Agreement constitute continuing connected transaction of the Company which are subject to reporting, announcement and annual review requirements but are exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

For further details, please refer to the Company's announcements dated 23 May 2024 and 4 September 2024, respectively.

The annual cap for the transactions contemplated under the Gen-sets Supply Framework Agreement under the Listing Rules for the twelve months ending 22 May 2025 is US$9,000,000 (approximately HK$70,200,000).

For the year ended 31 December 2024, the Group had entered into transactions under the Gen-sets Supply Framework Agreement which utilised US$9,000,000, representing 100% of the applicable annual cap of US$9,000,000 (approximately HK$70,200,000). The applicable annual cap was not exceeded.

2. Equipment Lease Framework Agreement

On 4 September 2024, CNTIC Capital, as the lessor entity, and the Company, as the lessee entity, entered into an equipment lease framework agreement ("**Equipment Lease Framework Agreement**"), pursuant to which the Company and CNTIC Capital conditionally agreed that the Company (or any such other members of the Group) may enter into transactions for lease of mobile power generating sets and ancillary equipment and accessories (the "**Lease Equipment**") from CNTIC Capital (and its subsidiaries or associates) in accordance with the terms of the relevant equipment lease agreement(s) contemplated under the Equipment Lease Framework Agreement during the term of three years commencing from 31 December 2024 (the date on which all relevant conditions set out therein were satisfied or waived (if applicable)).

As CNTIC Capital is a 95% owned subsidiary of CNTIC, and CNTIC is the controlling shareholder of the Company, CNTIC Capital is a connected person of the Company under the Listing Rules. The transactions contemplated under the Equipment Lease Framework Agreement constitute continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer to the Company's announcement dated 4 September 2024.

The annual cap for the transactions contemplated under the Equipment Lease Framework Agreement approved by the independent shareholders of the Company and the utilisation of such annual cap are set out below:

	For the financial year ended 31 December 2024 US$'000	For the financial year ending 31 December 2025 US$'000	For the financial year ending 31 December 2026 US$'000	For the period from 1 January 2027 to the end of the term of the Equipment Lease Framework Agreement US$'000
Annual cap(s)	32,428	—	—	—
Utilisation	26,783 (83%)	—	—	—

For the year ended 31 December 2024, transactions entered into by the Group under the Equipment Lease Framework Agreement did not exceed the applicable annual cap.

3. EPC Services Framework Agreement

On 4 September 2024, CNTIC, as the supplier, and the Company, as the purchaser, entered into an engineering, procurement and construction services framework agreement ("**EPC Services Framework Agreement**"), pursuant to which the Company and CNTIC conditionally agreed that the Company (or any such other members of the Group) may enter into transactions to procure from CNTIC (and its subsidiaries or associates) engineering, procurement and construction ("**EPC**") contractor services and EPC services on separate engagement basis (the "**EPC Services**") during the term of three years commencing from 6 November 2024 (being the date of independent shareholders' approval for the EPC Services Framework Agreement).

As CNTIC is the controlling shareholder of the Company, CNTIC is a connected person of the Company under the Listing Rules. The transactions contemplated under the EPC Services Framework Agreement constitute continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer to the Company's announcement dated 4 September 2024.

The annual caps for the transactions contemplated under the EPC Services Framework Agreement approved by the independent shareholders of the Company and the utilisation of such annual caps are set out below:

	For the financial year ended 31 December 2024 US$'000	**For the financial year ending 31 December 2025** US$'000	**For the financial year ending 31 December 2026** US$'000	**For the period from 1 January 2027 to the end of the term of the EPC Services Framework Agreement** US$'000
Annual cap(s)	41,448	562,636	129,000	138,380
Utilisation	4,213 (10%)	—	—	—

For the year ended 31 December 2024, transactions entered into by the Group under the EPC Services Framework Agreement did not exceed the applicable annual cap.

4. ETS Supply Framework Agreement

On 4 September 2024, CNTIC, as purchaser, the Company, as supplier, and VH entered into an equipment and technical service supply framework agreement ("**ETS Supply Framework Agreement**"), pursuant to which the Company and CNTIC conditionally agreed that the Company (or any such other members of the Group) may enter into transactions to supply equipment and related accessories and technical service to CNTIC (and its subsidiaries or associates) during the term of three years commencing from 6 November 2024 (being the date of independent shareholders' approval for the ETS Supply Framework Agreement). The parties also agreed to terminate the Gen-sets Supply Framework Agreement effective from the date on which the ETS Supply Framework Agreement approved by the independent shareholders of the Company.

As CNTIC is the controlling shareholder of the Company, CNTIC is a connected person of the Company under the Listing Rules. The transactions contemplated under the ETS Supply Framework Agreement constitute continuing connected transactions of the Company which are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For further details, please refer to the Company's announcement dated 4 September 2024.

The annual caps for the transactions contemplated under the ETS Supply Framework Agreement approved by the independent shareholders of the Company and the utilisation of such annual caps are set out below:

	For the financial year ended 31 December 2024 US$'000	**For the financial year ending 31 December 2025** US$'000	**For the financial year ending 31 December 2026** US$'000	**For the period from 1 January 2027 to the end of the term of the ETS Supply Framework Agreement** US$'000
Annual cap(s)	98,940	100,540	73,200	53,200
Utilisation	16,942 (17%)	—	—	—

For the year ended 31 December 2024, transactions entered into by the Group under the ETS Supply Framework Agreement did not exceed the applicable annual cap.

ANNUAL REVIEW

The Independent Non-executive Directors have reviewed the above non-exempted continuing connected transactions, namely, transactions entered into by the Group under the Gen-sets Supply Framework Agreement, the Equipment Lease Framework Agreement, EPC Services Framework Agreement and ETS Supply Framework Agreement during the year ended 31 December 2024 (the "**2024 CCT**") and confirmed that the 2024 CCT were entered into:

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

(b) on normal commercial terms or better; and

(c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to perform certain procedures in respect of the continuing connected transactions set out above in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The Company's auditor has advised the Company that nothing has come to its attention that causes it to believe that the 2024 CCT:

(1) have not been approved by the Board;

(2) were not, in all material respects, conducted in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;

(3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(4) have exceeded the relevant annual cap during the financial year ended 31 December 2024.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transactions and continuing connected transactions.

RELATED PARTY TRANSACTIONS

Details of material transactions with related parties of the Group during the year ended 31 December 2024 are disclosed in note 38 to the Financial Statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed, except for those disclosed above in the paragraphs headed "Connected Transactions" and "Continuing Connected Transactions" respectively.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% (that is, the prescribed public float applicable to the Company as required under the Listing Rules) of the issued Shares were held by the public as at the date of this directors' report.

SUSTAINABILITY REPORT

The 2024 Sustainability Report of the Company prepared in accordance with the Environmental, Social and Governance Reporting Code under Appendix C2 to the Listing Rules is published on the same day as our 2024 Annual Report.

By Order of the Board
Gao Zhan
Chairman

Hong Kong, 28 March 2025

RISK MANAGEMENT FRAMEWORK

An enterprise risk management framework is in place to assess, mitigate and monitor strategic, investment, financial, operational and key business risks effectively. The framework enables the Group to adopt a systematic approach for identifying and managing risks across the Group, and evaluating risk severity and likelihood of occurrence.

STRUCTURE

The management is committed to fostering a risk aware and control conscious environment. Responsibility for risk management resides at all levels within the Group. The Board oversees the overall management of risks. The internal audit department assists the Audit Committee in reviewing and monitoring key risks. Operating units are responsible for the identification and management of risks in operations and a comprehensive approach is adopted for group-wide risks.

RISK MANAGEMENT PROCESS

The risk management process is embedded into our daily activities and is an ongoing process that flows through the Group.

When performing risk identification, we consider political, economic, social, technological and environmental factors, regulations and our stakeholders' expectations. The identified risks are grouped into different categories and each risk is analysed individually on the basis of probability and impact. Action plans are in place to manage the key risks. The risk assessment process also includes a review of the control mechanisms for each risk. The Group Risk Register is compiled, updated and monitored on an ongoing basis, which is then presented to the Audit Committee on a half-yearly basis. Significant changes in key risks are reported to the management.

Fundamental to the achievement of our business goals is how we can effectively manage existing and emerging risks in different political, economic and social environments. The Group manages risks arising from the ever-changing business environment. The risks shown below are not exhaustive or comprehensive, and there may be other risks which may not be material now but could become material in future.

Key risks in 2024 included:

RISK CATEGORY: STRATEGIC RISK

RISK	OUR RESPONSE AND MITIGATING MEASURES
The change of control over the Company to the state-owned controlling shareholder took place in September 2023. To capture synergies with the controlling shareholder and its group companies and comply with national regulation, integration of the Group into the management system of its controlling shareholder is required in a planned and systematic way. Failure or delay in achieving an effective corporate integration may damage corporate coherence, affect operational efficiency and lead to underperformance of the Group.	The management of the Group is working closely with the controlling shareholder to build mutual understanding and set clear integration objectives and implementation plan. The Group will continue the communication with relevant stakeholders during the implementation of the integration plan for their feedback and adjust the plan where appropriate.
The Group is subject to physical and transition risks posed by climate change. Affecting many countries and regions, climate change is proven to increase the frequency and intensity of extreme weather events, such as typhoons and floods. It may also cause supply chain disruption and business and operation interruption.	The Group targets to achieve carbon neutrality by 2050 and is mapping out a blueprint to outline the Group's strategies to decarbonise its generation portfolio and long-term business plans. With a climate change policy, the Group strives to mitigate the physical risks by exploring the uses of renewable energy, enhancing waste management encouraging recycling practices and strengthening hazard management.

RISK CATEGORY: OPERATIONAL & HUMAN RESOURCES RISKS

RISK	OUR RESPONSE AND MITIGATING MEASURES
The global political environment and economic conditions have been clouded by multiple geopolitical events in recent years. Having multinational operations, the Group is faced with different challenges during these uncertain times.	In today's increasingly interconnected world, it is unlikely for multinational enterprises to avoid global risks. Leveraging on the mobility of power assets, the Group has developed and gradually implemented redeployment and demobilisation plans for projects in different countries. Considering the political and social developments of emerging market in the last few years, the Group has reduced its exposure in certain emerging markets.
Any loss of key staff may potentially affect the operation of the Group.	Employees are the key assets to business. The Group has succession plans of key positions in place and reviews the compensation policy from time to time. The Group strives to address the concerns of its employees and reinforce their sense of belongings by enhancing its employee engagement as part of the employee retention programme.

RISK CATEGORY: FINANCE, REGULATORY & COMPLIANCE RISKS

RISK	OUR RESPONSE AND MITIGATING MEASURES
The recent tightened financial conditions and hiking interest rates have brought substantial pressure on corporates with interest-bearing liabilities. Failure to manage the debt profile or comply with the financial covenants under loan agreements may exert an adverse impact on the Group's financial position and ability to refinance.	The Group is strengthening its treasury management by closely monitoring the debt profile, interest coverage ratio and compliance with financial covenants. The Group has been actively discussing with the banks for refining the loan arrangements. In addition to bank financing, the Group will continue to explore other equity and debt financing arrangements to balance the financial position.
The Group has a number of long-standing key customers and suppliers. In case of any occurrence of payment disputes or delays, its financial position may be adversely affected.	The Group continues to maintain strong business relationship with key customers and suppliers through close communication. The management reviews the credit profile of key customers regularly and assesses trade receivables on an individual basis for impairment. It will continue to strengthen the billing and collection process.
The Group has close collaborations with its controlling shareholder and its associates in its ordinary course of business, which constitute continuing connected transactions under The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It exposes the Group to compliance risk in relation to continuing connected transactions.	The Group has implemented the internal control measures to govern the continuing connected transactions including the establishment of internal policies with detective controls and clear segregation of duties, provision of training on the internal control policies to relevant parties and the engagement of the auditors to conduct an annual review.
Environmental-related rules and regulations are getting more stringent given the highlighted concern over climate change. Non-compliance with these laws and regulations may lead to penalties or legal action.	The Group has an environmental management policy with monitoring and reporting mechanisms in place to ensure compliance with relevant environmental regulations. The Group will also continue to strength employee awareness over environmental compliance.

RISK CATEGORY: BUSINESS & MARKET RISKS

RISK	OUR RESPONSE AND MITIGATING MEASURES
Volatility and fluctuations of gas and diesel supplies and prices may adversely affect the demand for gen-sets, power generation systems and distributed power stations, which may affect our revenue.	The Group offers a wide variety of gen-sets and systems to cater the different needs of our customers and has not encountered any shift of demands so far. In order to address the increasing demand for clean technologies, the Group will continue to introduce more efficient systems to reduce the fuel consumption.
The Group faces significant competition in gas-fired distributed power generation industry and broader power generation industry. For SI business, its competitors include manufacturers of engines or gen-sets. For IBO business, its competitors include utilities or power stations generating power from fossil fuels and renewable energy. Failure to maintain its competitive edges may lead to a loss of market share to competitors.	Energy efficiency is one of the Group's core competitive edges. To maintain its industry leadership, the Group will continuously upgrade its power solutions and expand product lines. For example, the Group is developing fuel flexible gas gen-sets to operate on a blend of hydrogen and natural gas. Besides, the Group plans to further optimise the utilisation of its power generation assets by capitalising on the growing demand for flexible power.

The internal audit department reports to the Audit Committee, and provides independent assurance as to the existence and effectiveness of the risk management activities and controls in the operations of the Group. Half-yearly review is performed by the internal audit department and remediation status for risks identified is communicated to the management team and relevant employees and reported to the Audit Committee. A review of the effectiveness of the risk management and internal control systems has been conducted and the Company considers them effective and adequate.

Deloitte. 德勤

TO THE SHAREHOLDERS OF
VPOWER GROUP INTERNATIONAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of VPower Group International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 67 to 165, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3.1 to the consolidated financial statements which indicates that the Group incurred a net loss of HK$232.6 million during the year ended 31 December 2024 and, as of that date, and the Group had net current assets of HK$157.3 million. The Group has failed to repay certain bank and other borrowings in accordance with the repayment schedules during the year and up to the date of approval of these consolidated financial statements. These conditions, along with other matters as set forth in note 3.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements and included a separate section under the heading "Material Uncertainty Related to Going concern" in its auditor's report on 29 April 2024.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty related to Going Concern section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of expected credit losses of trade receivables	
As at 31 December 2024, the carrying amount of trade receivables was HK$1,618.2 million and represented 27.6% of the Group's total assets. To assess expected credit losses ("ECLs") of (i) trade receivables of certain customers in the system integration segment with an aggregate net carrying amount of HK$318.4 million; and (ii) trade receivable due from a subsidiary of a joint venture with a net carrying amount of HK$1,126.2 million, the management is required to make significant judgements and estimates in the selection of appropriate models and inputs based on reasonable and supportable information.	Our procedures in relation to the assessment of ECLs of trade receivables of certain customers in the system integration segment: • Obtaining an understanding of the management's methodology for determining ECLs of trade receivables; • Evaluating the reasonableness of the assessment from management's expert on the credit ratings and basis of estimated loss rates applied to the individual trade receivables by reference to their backgrounds, repayment history and current condition; • Engaging our internal valuation specialist to evaluate the appropriateness of the methodology and significant assumptions used in the ECL model, including loss given default and forward-looking information; and • Checking the arithmetic accuracy of the calculation of the ECLs.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Assessment of expected credit losses of trade receivables (continued)	
The management assessed the ECLs by taking into accounts of probability of default of counterparties which are determined by considering the debtors' backgrounds, repayment history and current condition, the loss given default which is estimated by referencing to credit ratings, or based on the fair values of the considerations expected to be received, including the values of the engine-based electricity generation units to be taken possession of by the Group and the settlement expected to be received from a subsidiary of a joint venture in an anticipated recovery scenario, taking into account forward-looking information. The Group's accounting policies, disclosures of accounting estimates on provision for ECLs on trade receivables and information about the ECLs on trade receivables are included in notes 3, 4 and 20 to the consolidated financial statements, respectively.	In respect of the trade receivable due from a subsidiary of a joint venture, we also performed the following procedures: • Evaluating the expected cash flows from the settlement to be received from a subsidiary of a joint venture based on the financial information and forecast of the entity; • Evaluating the discount rate applied in the forecast by comparing it to economic data relevant to the risk specific to the subsidiary of a joint venture; • Assessing the reasonableness of the inputs and assumptions made in the forecast; and • Assessing the fair value less costs of disposal of the engine-based electricity generation units expected to be taken possession of by the Group.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Lam Ching.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
REVENUE	6	**1,520,482**	1,497,643
Cost of sales		**(1,229,207)**	(1,451,485)
Gross profit		**291,275**	46,158
Other income and gains, net	7	**153,062**	4,334
Selling and distribution expenses		**(11,624)**	(14,758)
Administrative expenses		**(268,460)**	(398,142)
Provision for impairment losses under expected credit loss model, net		**(24,982)**	(1,169,295)
Other expenses, net		**(19,316)**	(301,215)
Finance costs	8	**(341,539)**	(316,181)
Share of results of joint ventures		**16,129**	(705,903)
LOSS BEFORE TAX	9	**(205,455)**	(2,855,002)
Income tax (expense)/credit	12	**(27,115)**	957
LOSS FOR THE YEAR		**(232,570)**	(2,854,045)
Attributable to:			
Owners of the Company		**(233,080)**	(2,853,972)
Non-controlling interests		**510**	(73)
		(232,570)	(2,854,045)
LOSS PER SHARE	14		
Basic		**HK(3.49) cents**	HK(76.18) cents
Diluted		**HK(3.49) cents**	HK(76.18) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024 HK$'000	2023 HK$'000
LOSS FOR THE YEAR	**(232,570)**	(2,854,045)
OTHER COMPREHENSIVE LOSS		
Item that may be reclassified to profit or loss in subsequent periods:		
Cash flow hedges:		
Changes in fair value of hedging instruments arising during the year	**–**	(73)
Reclassification adjustments included in the consolidated statement of profit or loss	**–**	(7,784)
	–	(7,857)
Exchange differences on translation of foreign operations	**(68,886)**	10,270
Release of exchange fluctuation reserve upon deconsolidation of subsidiaries	**(638)**	–
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(69,524)**	2,413
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(302,094)**	(2,851,632)
Attributable to:		
Owners of the Company	**(302,604)**	(2,851,559)
Non-controlling interests	**510**	(73)
	(302,094)	(2,851,632)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**462,628**	2,177,427
Right-of-use assets	16(a)	**227,968**	35,920
Other intangible assets	17	**—**	8,997
Interests in joint ventures	18	**888,541**	991,780
Deposits and other receivables	21	**47,755**	54,169
Deferred tax assets	30	**2,881**	20,807
Total non-current assets		**1,629,773**	3,289,100
CURRENT ASSETS			
Inventories	19	**659,555**	1,029,465
Trade and bills receivables	20	**1,618,694**	1,616,207
Prepayments, deposits, other receivables and other assets	21	**839,867**	141,368
Derivative financial instruments	22	**6,146**	—
Tax recoverable		**2,338**	591
Restricted cash	23	**12,315**	12,259
Pledged deposits	24	**—**	1,100
Cash and cash equivalents	24	**122,808**	131,233
		3,261,723	2,932,223
Assets held for sale	34	**969,328**	14,304
Total current assets		**4,231,051**	2,946,527
CURRENT LIABILITIES			
Trade and bills payables	25	**503,116**	518,638
Other payables and accruals	26	**1,136,587**	753,481
Contract liabilities	27	**116,734**	233,777
Derivative financial instruments	22	**—**	6,508
Interest-bearing bank and other borrowings	28	**2,236,637**	2,717,007
Lease liabilities	16(b)	**73,281**	13,016
Tax payable		**3,167**	4,808
Provision for restoration	29	**4,273**	5,205
Total current liabilities		**4,073,795**	4,252,440
NET CURRENT ASSETS/(LIABILITIES)		**157,256**	(1,305,913)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,787,029**	1,983,187

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT LIABILITIES			
Other payables	26	**1,090**	1,259
Interest-bearing other borrowings	28	**35,556**	50,194
Lease liabilities	16(b)	**155,073**	42,392
Provision for restoration	29	**2,166**	279
Deferred tax liabilities	30	**11,728**	5,553
Total non-current liabilities		**205,613**	99,677
Net assets		**1,581,416**	1,883,510
EQUITY			
Equity attributable to owners of the Company			
Share capital	31	**668,315**	668,315
Reserves	33	**912,611**	1,215,215
		1,580,926	1,883,530
Non-controlling interests		**490**	(20)
Total equity		**1,581,416**	1,883,510

The consolidated financial statements on pages 67 to 165 were approved and authorised for issued by the Board of Directors on 28 March 2025 and are signed on its behalf by:

Gao Zhan
Director

Lam Yee Chun
Director

		Attributable to owners of the Company											
	Note	Share capital HK$'000	Share premium account HK$'000	Merger reserve HK$'000 *(note 33(a))*	Capital reserve HK$'000 *(note 33(b))*	Shares held under the share award scheme HK$'000 *(note 32)*	Cash flow hedge reserve HK$'000	Statutory reserve funds HK$'000 *(note 33(c))*	Exchange fluctuation reserve HK$'000 *(note 33(d))*	Retained profits/ (losses) HK$'000	Total K$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2023		270,169	1,892,072	(15,458)	146,985	(36,698)	7,857	35,919	(130,315)	968,873	3,139,404	653	3,140,057
Loss for the year		–	–	–	–	–	–	–	–	(2,853,972)	(2,853,972)	(73)	(2,854,045)
Other comprehensive (loss)/income for the year:													
Cash flow hedge:													
Changes in fair value of hedging instrument arising during the year		–	–	–	–	–	(73)	–	–	–	(73)	–	(73)
Reclassification adjustments included in the consolidated statement of profit or loss		–	–	–	–	–	(7,784)	–	–	–	(7,784)	–	(7,784)
Exchange differences on translation of foreign operations		–	–	–	–	–	–	–	10,270	–	10,270	–	10,270
Total comprehensive loss for the year		–	–	–	–	–	(7,857)	–	10,270	(2,853,972)	(2,851,559)	(73)	(2,851,632)
Issue of shares	31	398,146	1,211,876	–	–	–	–	–	–	–	1,610,022	–	1,610,022
Share issue expenses	31	–	(14,337)	–	–	–	–	–	–	–	(14,337)	–	(14,337)
Transfer to statutory reserve funds		–	–	–	–	–	–	545	–	(545)	–	–	–
Dividend paid to a non-controlling shareholder of a subsidiary		–	–	–	–	–	–	–	–	–	–	(600)	(600)
At 31 December 2023		668,315	3,089,611	(15,458)	146,985	(36,698)	–	36,464	(120,045)	(1,885,644)	1,883,530	(20)	1,883,510
Loss for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(233,080)**	**(233,080)**	**510**	**(232,570)**
Other comprehensive loss for the year:													
Release of exchange fluctuation reserve upon deconsolidation of subsidiaries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(638)**	**–**	**(638)**	**–**	**(638)**
Exchange differences on translation of foreign operations		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(68,886)**	**–**	**(68,886)**	**–**	**(68,886)**
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(69,524)**	**(233,080)**	**(302,604)**	**510**	**(302,094)**
At 31 December 2024		**668,315**	**3,089,611**	**(15,458)**	**146,985**	**(36,698)**	**–**	**36,464**	**(189,569)**	**(2,118,724)**	**1,580,926**	**490**	**1,581,416**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(205,455)**	(2,855,002)
Adjustments for:			
Share of results of joint ventures		**(16,129)**	705,903
Bank interest income	7	**(677)**	(1,063)
Gain on disposal of items of property, plant and equipment, net	7	**(94,635)**	(1,087)
Reversal of impairment on property, plant and equipment	7	**(10,405)**	—
Loss on deconsolidation of subsidiaries	35(a)	**9,718**	—
Finance costs	8	**341,539**	316,181
Depreciation of property, plant and equipment	9	**139,096**	241,041
Depreciation of right-of-use assets	9	**12,376**	16,211
Gain on early termination of a lease	9	**(84)**	(5)
Fair value (gain)/losses on derivative financial instruments	9	**(13,250)**	5,107
Impairment of property, plant and equipment	9	**1,010**	13,312
Provision for impairment losses under expected credit loss model, net		**24,982**	1,169,295
Write-down of inventories to net realisable value	9	**4,219**	17,050
Reversal of write-down of inventories to net realisable value	9	**(6,709)**	(1,331)
Impairment of right-of-use assets	9	**—**	10,511
Impairment of intangible assets	9	**—**	32,045
Loss on disposal of subsidiaries	35(b)	**—**	7,166
Loss on reassessment of lease term	9	**—**	3,601
Write-off of property, plant and equipment	9	**—**	55,464
Realisation of unrealised profits on transactions between the Group and joint ventures, net		**—**	(342)
Operating cash flows before movement in working capital		**185,596**	(265,943)
Decrease in inventories		**341,520**	123,494
(Increase)/decrease in trade and bills receivables		**(43,785)**	124,428
(Increase)/decrease in prepayments, deposits, other receivables and other assets		**(45,916)**	145,234
Decrease in trade and bills payables		**(1,805)**	(109,434)
(Decrease)/increase in other payables and accruals		**(57,040)**	218,299
(Decrease)/increase in contract liabilities		**(115,097)**	2,713
Decrease in provision of restoration		**—**	(1,434)
Cash generated from operations		**263,473**	237,357
Interest element of lease payments	35(b)	**(2,947)**	(3,683)
Hong Kong Profits Tax paid		**(962)**	(4,215)
Overseas taxes paid		**(10,108)**	(2,513)
Net cash flows from operating activities		**249,456**	226,946

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		677	1,063
Purchases of items of property, plant and equipment		(36,761)	(98,243)
Proceed from disposal of items of assets held for sales	34(c)	16,380	—
Proceeds from disposal of items of property, plant and equipment		2,749	—
Proceeds from early termination of derivative financial instruments		—	7,784
Disposal of subsidiaries	35(b)	—	(52)
Deconsolidation of subsidiaries	35(a)	(250)	—
Investments in joint ventures		—	(4,123)
Distributions from joint ventures		13,287	43,123
Decrease/(increase) in restricted cash		(56)	(278)
(Increase)/decrease in pledged deposits		1,085	21,425
Net cash flows used in investing activities		(2,889)	(29,301)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	31	—	228,030
Share issue expenses		—	(11,471)
New bank borrowings, net of debt establishment costs	36(b)	570,267	1,744,033
New loan from a fellow subsidiary of immediate holding company	36(b)	390,000	—
New other borrowings	36(b)	—	64,185
Repayment of bank borrowings	36(b)	(1,028,025)	(1,991,005)
Repayment of other borrowings	36(b)	—	(2,422)
New loan from a subsidiary of a joint venture	36(b)	—	106,080
Repayment of loan to a subsidiary of a joint venture	36(b)	—	(27,300)
Principal portion of lease payments	36(b)	(11,280)	(12,565)
Interest paid		(162,357)	(276,682)
Net cash flows used in financing activities		(241,395)	(179,117)
NET INCREASE IN CASH AND CASH EQUIVALENTS		5,172	18,528
Cash and cash equivalents at beginning of year		122,442	114,706
Effect of foreign exchange rate changes, net		(4,806)	(10,792)
CASH AND CASH EQUIVALENTS AT END OF YEAR		122,808	122,442
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	122,808	131,233
Bank overdrafts	28	—	(8,791)
		122,808	122,442

1. CORPORATE AND GROUP INFORMATION

VPower Group International Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the principal place of business of the Company is Units 2701–05, 27/F, Office Tower 1, The Harbourfront, 18–22 Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

The Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the design, integration, sale and installation of engine-based electricity generation units and the provision of distributed power solutions, including the design of, investment in, building and operation of distributed power generation stations.

In the opinion of the directors, the immediate holding company of the Company is China National Technical Import & Export Corporation ("CNTIC"), a company established under the laws of the People's Republic of China ("PRC") with limited liability, and the ultimate holding company of the Company is China General Technology (Group) Holding Co., Ltd., a company also established under the laws of the PRC with limited liability and under the direct supervision of State-owned Assets Supervision and Administration Commission of the State Council of the PRC ("SASAC").

The financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendment to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the other disclosures set out in these consolidated financial statements.

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

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements[4]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKAS 21	Lack of Exchangeability[2]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027

Except for the new HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures". Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

Going concern basis

During the year ended 31 December 2024, the Group incurred a net loss of HK$232.6 million and the Group had net current assets of HK$157.3 million as at 31 December 2024. The current liabilities included bank and other borrowings of HK$2,131.8 million which have all been classified as current liabilities because the Group has failed to repay these bank and other borrowings in accordance with the repayment schedules during the year and up to the date of approval of these consolidated financial statements. The Group has cash and cash equivalents amounted to HK$122.8 million as at 31 December 2024. Subsequent to the end of the reporting period and up to the date of approval of these consolidated financial statements, the Group has not yet obtained any waiver confirmation in writing from the relevant banks on its non-repayment of outstanding loan amounts due, together with interests accrued and non-compliance with certain loan covenants.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company are undertaking a number of plans and measures to improve the Group's liquidity and financial position, including, inter alia:

(i) during the year and subsequent to the reporting period end, the Company's controlling shareholder has provided and will continue to provide financial support to enable the Group to continue operating as a going concern for the next 12 months from the reporting period end; and

(ii) materialising the disposal of power generation property, plant and equipment to the controlling shareholder of the Company to obtain proceeds for loan repayments and as working capital; and

(iii) seeking refinancing for certain of existing bank borrowings through new syndicated loans and/or other financing arrangements.

In addition to above, the management also considers implementing measures to speed up the collection of outstanding trade and other receivables and exploring other debt or equity financing arrangements when necessary.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 Basis of preparation of consolidated financial statements (Continued)

Going concern basis (Continued)

The directors of the Company have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than 12 months from 31 December 2024. They are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the next 12 months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

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

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

Investments in joint ventures

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Investments in joint ventures (Continued)

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

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

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of engine-based electricity generation units

Revenue from the sale of engine-based electricity generation units is recognised at the point in time when control of the asset is transferred to the customer, generally upon completion of installation of the engine-based electricity generation units.

Construction services

The Group provides certain construction services that are bundled together with the sale of engine-based electricity generation units to a customer. The construction services can be obtained from other providers and do not significantly customise or modify the engine-based electricity generation units.

Contracts for bundled sales of engine-based electricity generation units and construction services are comprised of two performance obligations because the promises to transfer the engine-based electricity generation units and provide such construction services are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the engine-based electricity generation units and such construction services.

Revenue from such construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue on the basis of the costs incurred relative to the total expected costs to complete the service.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

Distributed power solutions

The Group derives revenue from contracts that provide customers with distributed power solutions, including the development, system integration, technical servicing, operation and maintenance of self-owned power generation assets.

The Group earns revenue on contracts by providing capacity based on a specified number of megawatts (MWs) to the customer. The revenue is calculated based on the actual amount of energy that the Group delivers to the customer, as measured in kilowatt hours (kWhs). As the Group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date, the revenue of the contract is recognised over time in the amount to which the Group has a right to invoice, using the practical expedient in HKFRS 15 "Revenue from Contracts with Customers".

Technical services

Revenue from the provision of technical services is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. When an item of property, plant and equipment is classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", as explained in the accounting policy for "Non-current assets held for sale".

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Property, plant and equipment (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss.

Construction in progress is stated at cost less any impairment losses, and are not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Grid and related development rights

Grid and related development rights are stated at cost less any impairment losses and are amortised on the straightline basis over their respective useful economic lives, commencing from the date when the respective power station is put into operation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

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

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 "Leases" at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component. The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases

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

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 "Financial Instruments" and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

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

Lease modifications

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications (Continued)

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Foreign currencies

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

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

On the disposal or deconsolidation of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Borrowing costs

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

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Amortised cost and interest income

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

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

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and bills receivables, deposits, other receivables, restricted cash, pledged deposits, cash and cash equivalents and contract assets) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables and contract assets.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(i) *Significant increase in credit risk*

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

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

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

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(ii) *Definition of default*

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) *Credit-impaired financial assets*

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) *Write-off policy*

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables, other receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, contract assets and other receivables where the corresponding adjustment is recognised through a loss allowance account.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the ‘other expenses, net’ line item as part of the foreign exchange differences, net.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Other financial liabilities

Other financial liabilities including trade and bills payables, other payables and accruals and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

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

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

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other expenses, net' line item in profit or loss as part of foreign exchange differences, net for financial liabilities that are not part of a designated hedging relationship.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition of financial liabilities

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Shares held under the share award scheme

Where shares of the Company are purchased from the open market for the share award scheme, the consideration paid, including any directly attributable incremental costs, is presented as "shares held under the share award scheme" and deducted from equity. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is recognised in the statement of profit or loss.

Restoration provisions

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Taxation

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

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

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

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, ultimate costs incurred for provisions for decommissioning and restoration the Group applies HKAS 12 “Income Taxes” requirements to the lease liabilities, the provisions for decommissioning and restoration and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities and the provisions for decommissioning and restoration to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Employee benefits

Retirement benefit costs

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

The Group operates a defined contribution Mandatory Provident Fund ("MPF") retirement benefit scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme.

For Long Service Payment ("LSP") obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of LSP obligation is determined after deducting the negative service cost arising from the accrued benefits (being projected and attributed to periods of service) derived from the Group's MPF contributions that have been vested with employees and would be used to offset the employee's LSP benefits, which are deemed to be contributions from the relevant employees.

The employees of the Group's subsidiaries which operate in Chinese Mainland and overseas are required to participate in central pension schemes operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

Short-term and other long-term employee benefits

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

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

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

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identifying performance obligations in a bundled sale of engine-based electricity generation units together with installation and certain construction services

The Group provides installation services that are bundled together with the sale of engine-based electricity generation units to a customer. The engine-based electricity generation units and such installation services are highly interrelated because the Group would not be able to fulfil its promise by transferring each of the engine-based electricity generation units or installation services independently. Accordingly, they are considered a single performance obligation.

The Group also provides certain construction services that are bundled together with the sale of engine-based electricity generation units to a customer. The construction services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

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

Critical judgements in applying accounting policies (Continued)

Revenue from contracts with customers (Continued)

The Group determined that both engine-based electricity generation units and such construction services are each capable of being distinct. The fact that the Group regularly sells engine-based electricity generation units on a stand-alone basis indicates that the customer can benefit from the electricity generation units on their own. The Group also determined that the promises to transfer the engine-based electricity generation units and to provide such construction services are distinct within the context of the contract. The engine-based electricity generation units and such construction services are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the engine-based electricity generation units and such construction services together in the contract does not result in any additional or combined functionality and neither the electricity generation units nor the construction modifies or customises the other. In addition, the engine-based electricity generation units and such construction services are not highly interdependent or highly interrelated, because the Group would be able to transfer the engine-based electricity generation units even if the customer declined construction and would be able to provide construction services in relation to electricity generation units sold by other distributors. Consequently, the Group has allocated a portion of the transaction price to the engine-based electricity generation units and the construction services based on the relative stand-alone selling prices.

Determining the timing of satisfaction of certain construction services

As the construction is performed at the customer's site and the customer controls any work in progress arising from the Group's performance, the Group concluded that revenue from such construction services is recognised over time because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The Group determined that the input method is the best method in measuring the progress of the construction services because there is a direct relationship between the Group's effort (i.e., costs incurred) and the transfer of services to the customer. The Group recognises revenue on the basis of the costs incurred relative to the total expected costs to complete the services.

Key sources of estimation uncertainty

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

Provision for expected credit losses on trade receivables

The Group generally uses a provision matrix to calculate ECLs for trade receivables of the designs, integrates, sells and installs engine-based electricity generation units business ("SI segment"). The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates.

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

Key sources of estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables (Continued)

The Group assesses the ECLs of (i) trade receivables of certain customers in the system integration segment; (ii) trade receivables due from a subsidiary of a joint venture by taking into accounts of probability of default of counterparties which are determined by considering the debtors' backgrounds, repayment history and current condition, the loss given default which is estimated by referencing to credit ratings, or based on the fair values of the considerations expected to be received, including the values of the engine-based electricity generation units to be taken possession of by the Group and the settlement expected to be received from a subsidiary of a joint venture in an anticipated recovery scenario, taking in account forward-looking information.

The Group will calibrate the probability of default and loss given default with forward-looking information to determine the credit loss rates. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates, probability of default and loss given default are adjusted. At each reporting date, the historical observed default rates, probability of default and loss given default are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among probability of default, loss given default, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience, determination of probability of default and loss given default and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in notes 20 to the consolidated financial statements, respectively.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including property, plant and equipment and right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The net carrying amounts of property, plant and equipment and right-of-use assets of the Group are disclosed in notes 15 and 16, to the consolidated financial statements, respectively.

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

Key sources of estimation uncertainty (Continued)

Net realisable value of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged analyses of the Group's inventories, projections of expected future saleability/usability of goods and management experience and judgement. Based on this review, write-down of inventories will be made when the estimated net realisable value of inventories declines below their carrying amount. Due to changes in technological, market and economic environment and customers' preference, actual saleability/usability of goods may be different from estimation and profit or loss could be affected by differences in this estimation. As at 31 December 2024, the carrying amount of inventories was HK$659,555,000 (2023: HK$1,029,465,000).

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the SI segment designs, integrates, sells and installs engine-based electricity generation units; and

(b) the IBO segment designs, invests in, builds and operates distributed power generation stations to provide distributed power solutions.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, non-lease-related finance costs, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, derivative financial instruments, tax recoverable, restricted cash, pledged deposits, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, interest-bearing bank and other borrowings, tax payable, deferred tax liabilities, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

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

5. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2024

	SI HK$'000	IBO HK$'000	Total HK$'000
Segment revenue *(note 6)*			
Sales to external customers	602,924	917,558	1,520,482
Intersegment sales	25,624	—	25,624
Total segment revenue	628,548	917,558	1,546,106
Reconciliation:			
Elimination of intersegment sales			(25,624)
Revenue			1,520,482
Segment results	(307)	178,956	178,649
Reconciliation:			
Elimination of intersegment results			(1,784)
Bank interest income			677
Corporate and unallocated expenses, net			(44,405)
Finance costs (other than interest on lease liabilities)			(338,592)
Loss before tax			(205,455)
Segment assets	2,105,110	2,869,458	4,974,568
Reconciliation:			
Corporate and unallocated assets			886,256
Total assets			5,860,824
Segment liabilities	997,456	599,932	1,597,388
Reconciliation:			
Corporate and unallocated liabilities			2,682,020
Total liabilities			4,279,408
Other segment information:			
Share of results of joint ventures	—	(21,506)	(21,506)
Provision for impairment losses under expected credit loss model, net	21,846	3,136	24,982
Impairment of property, plant and equipment	34	976	1,010
Reversal of impairment of property, plant and equipment	—	(10,405)	(10,405)
Gain on disposal of items of property, plant and equipment, net	—	(94,635)	(94,635)
Write-down of inventories to net realisable value	4,219	—	4,219
Reversal of write-down of inventories to net realisable value	(6,709)	—	(6,709)
Depreciation of property, plant and equipment*	688	137,333	138,021
Depreciation of right-of-use assets	10,130	2,246	12,376
Interests in joint ventures	—	195,179	195,179
Capital expenditure	350	75,885	76,235

* Depreciation of property, plant and equipment excludes depreciation charges of HK$1,075,000 for corporate assets.

5. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2023

	SI HK$'000	IBO HK$'000	Total HK$'000
Segment revenue *(note 6)*			
Sales to external customers	675,322	822,321	1,497,643
Intersegment sales	14,283	—	14,283
Total segment revenue	689,605	822,321	1,511,926
Reconciliation:			
Elimination of intersegment sales			(14,283)
Revenue			1,497,643
Segment results	(1,399,696)	(1,090,121)	(2,489,817)
Reconciliation:			
Elimination of intersegment results			(923)
Bank interest income			1,063
Corporate and unallocated expenses, net			(52,827)
Finance costs (other than interest on lease liabilities)			(312,498)
Loss before tax			(2,855,002)
Segment assets	2,376,048	2,841,145	5,217,193
Reconciliation:			
Corporate and unallocated assets			1,018,434
Total assets			6,235,627
Segment liabilities	1,053,887	496,087	1,549,974
Reconciliation:			
Corporate and unallocated liabilities			2,802,143
Total liabilities			4,352,117
Other segment information:			
Share of results of joint ventures	—	710,586	710,586
Impairment of property, plant and equipment	—	13,312	13,312
Impairment of right-of-use assets	—	10,511	10,511
Impairment of intangible assets	—	32,045	32,045
Provision for impairment losses under expected credit losses model, net	1,178,047	(8,752)	1,169,295
Gain on disposal of items of property, plant and equipment, net	—	(1,087)	(1,087)
Write-off of property, plant and equipment	—	55,464	55,464
Write-down of inventories to net realisable value	15,946	1,104	17,050
Reversal of write-down of inventories to net realisable value	(1,331)	—	(1,331)
Depreciation of property, plant and equipment*	1,407	238,558	239,965
Depreciation of right-of-use assets	11,735	4,476	16,211
Interests in joint ventures	—	186,902	186,902
Capital expenditure	187	99,142	99,329

* Depreciation of property, plant and equipment excludes depreciation charges of HK$1,076,000 for corporate assets.

5. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	2024 HK$'000	2023 HK$'000
Hong Kong and Chinese Mainland	408,117	194,502
Other Asian countries	239,533	571,258
Latin America	736,665	692,103
Other countries	136,167	39,780
Total revenue	1,520,482	1,497,643

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024 HK$'000	2023 HK$'000
Hong Kong and Chinese Mainland	986,959	895,195
Other Asian countries	92,287	1,571,144
Latin America	443,016	515,890
Other countries	56,875	231,895
Total non-current assets	1,579,137	3,214,124

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial assets.

Information about major customers

Revenue from external customers contributing over 10% of the total revenue of the Group is as follows:

	2024 HK$'000	2023 HK$'000
Customer A#	736,665	692,103
Customer B^	200,107	—
Customer C^	N/A*	403,510

Reported in the IBO segment

^ Reported in the SI segment

* The corresponding customer did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2024.

6. REVENUE

An analysis of revenue is as follows:

	2024 HK$'000	2023 HK$'000
Revenue from contracts with customers	1,520,482	1,497,643

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	SI HK$'000	IBO HK$'000	Total HK$'000
Types of goods or services			
Sale of engine-based electricity generation units	592,082	–	592,082
Construction services	10,761	–	10,761
Provision of technical services	81	–	81
Provision of distributed power solutions	–	917,558	917,558
Total	602,924	917,558	1,520,482
Geographical markets			
Hong Kong and Chinese Mainland	389,619	18,498	408,117
Other Asian countries	78,709	160,824	239,533
Latin America	–	736,665	736,665
Other countries	134,596	1,571	136,167
Total	602,924	917,558	1,520,482
Timing of revenue recognition			
Goods transferred at a point in time	592,082	–	592,082
Services transferred over time	10,842	917,558	928,400
Total	602,924	917,558	1,520,482

6. REVENUE (CONTINUED)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

For the year ended 31 December 2023

Segments	SI HK$'000	IBO HK$'000	Total HK$'000
Types of goods or services			
Sale of engine-based electricity generation units	668,229	—	668,229
Construction services	3,556	—	3,556
Provision of technical services	3,537	—	3,537
Provision of distributed power solutions	—	822,321	822,321
Total	675,322	822,321	1,497,643
Geographical markets			
Hong Kong and Chinese Mainland	166,653	27,849	194,502
Other Asian countries	473,189	98,069	571,258
Latin America	—	692,103	692,103
Other countries	35,480	4,300	39,780
Total	675,322	822,321	1,497,643
Timing of revenue recognition			
Goods transferred at a point in time	668,229	—	668,229
Services transferred over time	7,093	822,321	829,414
Total	675,322	822,321	1,497,643

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 **HK$'000**	2023 HK$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of engine-based electricity generation units	**182,540**	64,621

6. REVENUE (CONTINUED)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of engine-based electricity generation units

The performance obligation is satisfied upon completion of installation of the engine-based electricity generation units and payment is due within 30 to 360 days from delivery, except for new customers, where payment in advance is normally required.

As a practical expedient, the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are not disclosed in the notes to the consolidated financial statements because all the remaining performance obligations in relation to the sale of engine-based electricity generation units are a part of contracts that have an original expected duration of one year or less.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of construction and customer acceptance. Retention receivables, with periods ranging from one to two years from the date of the completion of the construction, are classified as contract assets.

Provision of distributed power solutions

The performance obligation is satisfied over time when the energy is produced and delivered to the customer in accordance with the contractual arrangements and payment is due within 30 to 300 days after the issuance of invoice.

The Group elected to apply the practical expedient under HKFRS 15 by recognising revenue from provision of distributed power solution in the amount to which the Group has a right to invoice.

Provision of technical services

The performance obligation is satisfied over time as services are rendered. Technical service contracts are for periods of one year or less, and are billed based on the costs incurred.

7. OTHER INCOME AND GAINS, NET

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

	2024 HK$'000	2023 HK$'000
Bank interest income	677	1,063
Government grants*	229	632
Notional interest income	5,328	—
Reversal of impairment on property, plant and equipment	10,405	—
Gain on disposal of items of property, plant and equipment, net	94,635	1,087
Fair value gain on derivative financial instruments	13,250	—
Proceeds before intended use on power stations	22,202	—
Others	6,336	1,552
Total other income and gains, net	153,062	4,334

* A subsidiary was qualified as a high-and-new technology enterprise in Chinese Mainland and it received various related government grants. There are no unfulfilled conditions or contingencies relating to these grants.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 HK$'000	2023 HK$'000
Interest and other finance costs on letters of credit, bank loans and overdrafts	301,350	281,286
Interest on other borrowings	31,003	19,427
Net realised gains on cash flow hedges	—	(7,784)
Subtotal	332,353	292,929
Amortisation of debt establishment costs	6,126	17,157
Notional interest on trade and other payables	113	2,412
Interest on lease liabilities	2,947	3,683
Total	341,539	316,181

9. LOSS BEFORE TAX

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

	Notes	2024 HK$'000	2023 HK$'000
Cost of inventories sold		483,670	711,915
Cost of services provided		633,188	607,287
Auditor's remuneration		8,240	8,159
Depreciation of property, plant and equipment*	15	139,096	241,041
Depreciation of right-of-use assets	16(a)	12,376	16,211
Research and development cost		10,039	11,051
Lease payments not included in the measurement of lease liabilities	16(c)	6,414	7,395
Gain on early termination of a lease	16(c)	(84)	(5)
Loss on reassessment of lease term#	16(c)	—	3,601
Loss on deconsolidation of subsidiaries#	35(a)	9,718	—
Employee benefit expense (including directors' and chief executives' remuneration *(note 10)*):			
Wages, salaries, bonuses, allowances and benefits in kind		116,514	122,891
Pension scheme contributions (defined contribution schemes)@		4,587	9,445
Total		121,101	132,336
Fair value gain on derivative financial instruments	7	(13,250)	—
Fair value losses on derivative financial instruments#		—	5,107
Foreign exchange differences, net#		4,809	47,848
Reversal of impairment of property plant and equipment disposed of during the year		(10,405)	—
Impairment of property, plant and equipment#	15	1,010	13,312
Impairment of right-of-use assets#	16(a)	—	10,511
Impairment of other intangible assets#	17	—	32,045
Impairment of trade receivables, net	20	23,158	1,168,325
Impairment of other receivables, net		613	—
Impairment of contract assets, net	21	1,211	970
Gain on disposal of items of property, plant and equipment, net		(94,635)	(1,087)
Loss on disposal of subsidiaries#	35(b)	—	7,166
Write-off of property, plant and equipment#		—	55,464
Write-down of inventories to net realisable value#		4,219	17,050
Reversal of write-down of inventories to net realisable value*		(6,709)	(1,331)

* The cost of sales for the year included depreciation charges of HK$106,582,000 (2023: HK$126,912,000) and reversal of write-down of inventories to net realisable value of HK$5,378,000 (2023: HK$1,331,000).

\# Included in "Other expenses, net" in the consolidated statement of profit or loss.

@ There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

10. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executives' remuneration for the year, disclosed pursuant to the Listing Rules, and the Hong Kong Companies Ordinance, is as follows:

	2024 **HK$'000**	2023 HK$'000
Fees	**960**	1,626
Other emoluments:		
Salaries, allowances and benefits in kind	**5,216**	11,075
Pension scheme contributions	**18**	72
Subtotal	**5,234**	11,147
Total	**6,194**	12,773

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2024 **HK$'000**	2023 HK$'000
Dr. Wang Zheng*	**240**	18
Dr. Lin Tun*	**240**	18
Mr. Suen Wai Yu	**240**	240
Mr. David Tsoi^	**–**	222
Mr. Yeung Wai Fai Andrew^	**–**	222
Total	**720**	720

* Dr. Wang Zheng and Dr. Lin Tun were appointed as independent non-executive directors of the Company with effect from 5 December 2023.

^ Mr. David Tsoi and Mr. Yeung Wai Fai Andrew resigned as independent non-executive directors of the Company with effect from 5 December 2023.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There were no other emoluments payable to the independent non-executive directors during the year (2023: Nil).

10. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(b) Executive directors and non-executive directors

	Fees HK$'000	Salaries and other benefits HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2024				
Executive directors:				
Mr. Gao Zhan *(note i)*	—	—	—	—
Dr. Kang Hubiao *(note ii)*	—	—	—	—
Mr. Lam Yee Chun *(note vii)*	240	3,500	18	3,758
Mr. Lu Weijun	—	—	—	—
Mr. Li Haifeng *(note iii)*	—	—	—	—
Mr. Jin Jiantang	—	1,716	—	1,716
Non-executive director:				
Mr. Wong Kwok Yiu	—	—	—	—
Total	240	5,216	18	5,474
2023				
Executive directors:				
Mr. Lam Yee Chun *(note vii)*	240	3,574	18	3,832
Mr. Lee Chong Man Jason *(note iv)*	222	2,517	18	2,757
Mr. Lo Siu Yuen *(note iv)*	222	2,730	18	2,970
Dr. Kang Hubiao *(note v)*	—	—	—	—
Mr. Lu Weijun *(note v)*	—	—	—	—
Mr. Li Haifeng *(note v)*	—	—	—	—
Mr. Jin Jiantang *(note v)*	—	132	—	132
Non-executive directors:				
Ms. Chan Mei Wan *(note vi)*	222	2,122	18	2,362
Mr. Wong Kwok Yiu	—	—	—	—
Total	906	11,075	72	12,053

10. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(b) Executive directors and non-executive directors (Continued)

Notes:

(i) Mr. Gao Zhan was appointed as an executive director of the Company and the chairman of the Board with effect from 16 August 2024.

(ii) Dr. Kang Hubiao resigned as an executive director of the Company and ceased to be the chairman of the Board with effect from 16 August 2024.

(iii) Mr. Li Haifeng resigned as an executive director of the Company with effect from 1 January 2025.

(iv) Mr. Lee Chong Man Jason and Mr. Lo Siu Yuen resigned as executive directors of the Company with effect from 5 December 2023.

(v) Dr. Kang Hubiao, Mr. Lu Weijun, Mr. Li Haifeng and Mr. Jin Jiantang were appointed as executive directors of the Company with effect from 5 December 2023.

(vi) Ms. Chan Mei Wan resigned as a non-executive director of the Company with effect from 5 December 2023.

(vii) Mr. Lam Yee Chun is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as chief executive.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries, if applicable.

During the year, no remuneration was paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2023: Nil).

Mr. Gao Zhan, Dr. Kang Hubiao, Mr. Lu Weijun and Mr. Li Haifeng have waived to receive any remuneration during the term of office. Except for the abovementioned, there was no arrangement under which a director waived or agreed to waive any remuneration during both years.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2023: four) director, details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining four (2023: one) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 HK$'000	2023 HK$'000
Salaries, allowances and benefits in kind	10,623	2,145
Pension scheme contributions (defined contribution scheme)	240	18
Total	10,863	2,163

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2024	2023
HK$2,000,001 to HK$2,500,000	1	1
HK$2,500,001 to HK$3,000,000	2	—
HK$3,000,001 to HK$3,500,000	1	—
	4	1

During the year ended 31 December 2024 and 31 December 2023, no remuneration was paid or payable by the Group to the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

12. INCOME TAX

Hong Kong Profits Tax is provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during both years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

12. INCOME TAX (CONTINUED)

	2024 HK$'000	2023 HK$'000
Current tax — Hong Kong		
Charge for the year	—	—
Overprovision in prior years	(287)	(145)
Current tax — Elsewhere		
Charge for the year	7,458	4,539
Underprovision in prior years	685	1,669
	7,856	6,063
Deferred *(note 30)*	19,259	(7,020)
Total tax expense/(credit) for the year	27,115	(957)

A reconciliation of the tax expense/(credit) applicable to loss before tax at the Hong Kong statutory tax rate to the tax expense/(credit) at the Group's effective tax rate is as follows:

	2024 HK$'000	2023 HK$'000
Loss before tax	(205,455)	(2,855,002)
Tax at the Hong Kong statutory tax rate of 16.5% (2023: 16.5%)	(33,900)	(471,075)
Different tax rates enacted by specific countries/jurisdictions	13,902	3,679
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	321	(711)
Withholding taxes	7,934	1,252
Adjustments in respect of current tax of previous periods	398	1,524
Profits and losses attributable to joint ventures	(2,661)	116,474
Income derived from the IBO segment which was claimed offshore and not subject to tax in Hong Kong	(7,655)	(15,925)
Income not subject to tax	(47,378)	(24,866)
Expenses not deductible for tax	36,564	124,593
Tax losses utilised from previous periods	—	(2,722)
Tax losses not recognised	65,166	68,258
Temporary differences not recognised	7,339	192,776
Others	(12,915)	5,786
Tax expense/(credit) at the Group's effective tax rate	27,115	(957)

13. DIVIDENDS

The board of directors of the Company does not recommend the payment of any final dividend in respect of the year ended 31 December 2024 (2023: Nil).

14. LOSS PER SHARE

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company of HK$233,080,000 (2023: HK$2,853,972,000), and the weighted average number of ordinary shares of 6,669,484,000 (2023: 3,746,112,000) in issue during the year, as adjusted to exclude the shares held under the share award scheme.

No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2024 and 2023 as the Company has no potential dilutive ordinary shares.

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000	Leasehold improvements HK$'000	Mobilisation and installation HK$'000	Machinery and equipment HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
31 December 2024								
At 1 January 2024:								
Cost	194,593	10,833	241,996	3,185,541	26,761	15,908	96,676	3,772,308
Accumulated depreciation and impairment	(72,631)	(10,262)	(221,955)	(1,230,459)	(18,456)	(15,235)	(25,883)	(1,594,881)
Net carrying amounts	121,962	571	20,041	1,955,082	8,305	673	70,793	2,177,427
At 1 January 2024, net of accumulated depreciation and impairment	121,962	571	20,041	1,955,082	8,305	673	70,793	2,177,427
Additions	1,590	200	1,503	38,347	610	280	33,705	76,235
Transfer to asset held for sale *(notes 34(a) and 34(b))*	–	–	–	(1,510,122)	–	–	–	(1,510,122)
Depreciation provided during the year	(17,697)	(495)	(13,088)	(106,014)	(1,531)	(271)	–	(139,096)
Disposals/write-off	–	–	–	(1,803)	–	–	–	(1,803)
Deconsolidation of subsidiaries *(note 35(a))*	–	–	(10,903)	(18,248)	(9)	–	(31,107)	(60,267)
Transfers	–	–	38,013	–	–	–	(38,013)	–
Impairment *(note 9)*	–	–	–	–	(34)	–	(976)	(1,010)
Exchange realignment	(14,427)	(27)	(615)	(60,099)	(500)	(9)	(3,059)	(78,736)
At 31 December 2024, net of accumulated depreciation and impairment	91,428	249	34,951	297,143	6,841	673	31,343	462,628
At 31 December 2024:								
Cost	164,860	10,931	268,301	482,921	25,921	16,098	31,343	1,000,375
Accumulated depreciation and impairment	(73,432)	(10,682)	(233,350)	(185,778)	(19,080)	(15,425)	–	(537,747)
Net carrying amounts	91,428	249	34,951	297,143	6,841	673	31,343	462,628

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings HK$'000	Leasehold improvements HK$'000	Mobilisation and installation HK$'000	Machinery and equipment HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
31 December 2023								
At 1 January 2023:								
Cost	180,643	10,830	241,188	3,272,319	20,025	16,583	79,006	3,820,594
Accumulated depreciation and impairment	(48,962)	(9,675)	(209,257)	(1,056,466)	(17,612)	(14,886)	–	(1,356,858)
Net carrying amounts	131,681	1,155	31,931	2,215,853	2,413	1,697	79,006	2,463,736
At 1 January 2023, net of accumulated depreciation	131,681	1,155	31,931	2,215,853	2,413	1,697	79,006	2,463,736
Additions	2,367	–	1,421	44,119	6,399	–	45,023	99,329
Transfer to asset held for sale *(note 34(c))*	–	–	–	(14,304)	–	–	–	(14,304)
Depreciation provided during the year	(19,261)	(581)	(13,750)	(205,689)	(960)	(800)	–	(241,041)
Disposals/write-off	–	–	–	(94,869)	(3)	(217)	(55,464)	(150,553)
Transfers	–	–	–	–	530	–	(530)	–
Impairment *(note 9)*	–	–	–	(13,312)	–	–	–	(13,312)
Exchange realignment	7,175	(3)	439	23,284	(74)	(7)	2,758	33,572
At 31 December 2023, net of accumulated depreciation and impairment	121,962	571	20,041	1,955,082	8,305	673	70,793	2,177,427
At 31 December 2023:								
Cost	194,593	10,833	241,996	3,185,541	26,761	15,908	96,676	3,772,308
Accumulated depreciation and impairment	(72,631)	(10,262)	(221,955)	(1,230,459)	(18,456)	(15,235)	(25,883)	(1,594,881)
Net carrying amounts	121,962	571	20,041	1,955,082	8,305	673	70,793	2,177,427

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The above items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Freehold land	Not depreciated
Buildings	Over the shorter of the lease terms and 2%
Leasehold improvements	Over the shorter of the lease terms and 20%
Mobilisation and installation	Over the service periods of the power generation agreements
Machinery and equipment	$3^1/_3$% to $33^1/_3$%
Furniture, fixtures and office equipment	10% to $33^1/_3$%
Motor vehicles	$12^1/_2$% to 20%

As at 31 December 2024, certain of the Group's property, plant and equipment with a net carrying amount of HK$107,735,000 (2023: HK$125,847,000) were pledged to secure banking facilities and other borrowings granted to the Group (note 28).

As at 31 December 2024, the Group's management identified certain idle machinery and equipment after expiry of the terms of certain power generation agreements and assessed their recoverable amounts, which are estimated based on the fair value less costs of disposal using market approach with reference to market price of similar assets, with the assistance of an independent firm of professionally qualified valuers. Based on the assessment, no further impairment loss was recognised during the year ended 31 December 2024 (2023: an impairment loss of HK$13,312,000 was recognised to write down the carrying amounts of certain machinery and equipment to their estimated recoverable amounts of HK$110,556,000).

During the year ended 31 December 2023, in relation to two power generation projects in the United Kingdom, the Group did not commence operation as agreed with National Grid and the corresponding capacity agreements were terminated by National Grid. The Group's management also decided to abandon another two power generation projects in the United Kingdom as they expected the construction of these power generation projects could not be completed before the longstop date in 2024. Accordingly, in relation to these four power generation projects in the United Kingdom the construction in progress of HK$25,344,000 was written off and the right-of-use assets and intangible assets of HK$10,511,000 (note 16) and HK$32,045,000 (note 17) were fully impaired, respectively, during the year ended 31 December 2023.

During the year ended 31 December 2023, management also decided to abandon a power generation project in Indonesia and the corresponding construction in progress of HK$30,120,000 was written off. During the year ended 31 December 2024, a further impairment loss of HK$976,000 was recognised on the corresponding construction in progress.

16. LEASES

The Group as a lessee

The Group has lease contracts for its warehouses, factory premises, office premises, staff quarters, machinery, motor vehicles and office equipment used in its operations. The leases are negotiated for terms ranging from 1 to 20 years. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 5 to 40 (2023: 5 to 40) years, and no ongoing payments will be made under the terms of these land leases.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land HK$'000	Leased properties HK$'000	Machinery HK$'000	Motor vehicles HK$'000	Office equipment HK$'000	Total HK$'000
At 1 January 2023	77,158	22,786	232	1,324	9	101,509
Additions	—	1,308	—	—	—	1,308
Reassessment on lease term	(42,669)	268	—	—	—	(42,401)
Early termination of a lease	—	—	—	(401)	—	(401)
Impairment *(note 9)*	(10,511)	—	—	—	—	(10,511)
Depreciation charge during the year	(3,049)	(12,593)	(206)	(357)	(6)	(16,211)
Exchange realignment	2,790	(163)	—	—	—	2,627
At 31 December 2023	**23,719**	**11,606**	**26**	**566**	**3**	**35,920**
Additions *(Note)*	**—**	**19,447**	**208,906**	**—**	**—**	**228,353**
Remeasurement on lease modifications	**1,018**	**—**	**—**	**—**	**—**	**1,018**
Early termination of a lease	**—**	**(230)**	**—**	**—**	**—**	**(230)**
Deconsolidation of subsidiaries *(note 35(a))*	**(23,352)**	**(105)**	**—**	**—**	**—**	**(23,457)**
Depreciation charge during the year	**(868)**	**(11,201)**	**(9)**	**(295)**	**(3)**	**(12,376)**
Exchange realignment	**(517)**	**(743)**	**—**	**—**	**—**	**(1,260)**
As at 31 December 2024	**—**	**18,774**	**208,923**	**271**	**—**	**227,968**

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	5 to 40 years
Leased properties	1 to 20 years
Machinery	3 years
Motor vehicles	3 years
Office equipment	3 to 5 years

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2024 HK$'000	2023 HK$'000
At 1 January	**55,408**	102,825
New leases *(Note)*	**227,359**	1,308
Remeasurement on lease modifications	**1,018**	—
Reassessment of lease term	**—**	(38,800)
Early termination of a lease	**(314)**	(406)
Deconsolidation of subsidiaries *(note 35(a))*	**(42,134)**	—
Accretion of interest recognised during the year	**2,947**	3,683
Payments during the year	**(14,227)**	(16,248)
Exchange realignment	**(1,703)**	3,046
At 31 December	**228,354**	55,408
Analysed into:		
Due within one year	**73,281**	13,016
Due in the second year	**76,798**	7,511
Due in the third to fifth years, inclusive	**78,275**	9,918
Due beyond five years	**—**	24,963
	228,354	55,408
Less: Amount due within one year shown under current liabilities	**(73,281)**	(13,016)
Amount due after one year shown under non-current liabilities	**155,073**	42,392

Note: During the year ended 31 December 2024, the Group entered into new lease agreements for the use of machinery and equipment with an affiliate of controlling shareholder for a term of 3 years. The Group has recognised an addition of right-of-use assets and lease liabilities of HK$208,906,000 and HK$208,906,000, respectively.

The maturity analysis of lease liabilities is disclosed in note 41 to the consolidated financial statements.

16. LEASES (CONTINUED)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 HK$'000	2023 HK$'000
Interest on lease liabilities	2,947	3,683
Depreciation charge of right-of-use assets	12,376	16,211
Expense relating to short-term leases (included in selling and distribution expenses and administrative expenses)	6,414	7,395
Impairment of right-of-use assets	—	10,511
Gain on early termination of a lease	(84)	(5)
Loss on reassessment of lease term	—	3,601
Deconsolidation of subsidiaries (included in loss on deconsolidation of subsidiaries)	(18,677)	—
Total amount recognised in profit or loss	2,976	41,396

(d) The total cash outflow for leases is disclosed in note 36 to the consolidated financial statements.

17. OTHER INTANGIBLE ASSETS

	Grid and related development rights HK$'000
31 December 2024	
At 1 January 2024:	
Cost	**8,997**
Accumulated amortisation	**–**
Net carrying amount	**8,997**
Cost at 1 January 2024, net of accumulated amortisation	**8,997**
Deconsolidation of subsidiaries *(note 35(a))*	**(8,801)**
Exchange realignment	**(196)**
At 31 December 2024	**–**
At 31 December 2024:	
Cost	**–**
Accumulated amortisation	**–**
Net carrying amount	**–**
31 December 2023	
At 1 January 2023:	
Cost	39,674
Accumulated amortisation	–
Net carrying amount	39,674
Cost at 1 January 2023, net of accumulated amortisation	39,674
Impairment *(note 9)*	(32,045)
Exchange realignment	1,368
At 31 December 2023	8,997
At 31 December 2023:	
Cost	8,997
Accumulated amortisation	–
Net carrying amount	8,997

18. INTERESTS IN JOINT VENTURES

	2024 HK$'000	2023 HK$'000
Interests in joint ventures under equity method	**888,541**	991,780

In January 2018, the Company and CITIC Pacific Limited ("CITIC Pacific"), through their respective subsidiaries, established Tamar VPower Energy Fund I, L.P. (the "Fund"). Tamar VPower Holdings Limited, indirectly owned as to 50% by each of the Company and CITIC Pacific, has a wholly-owned subsidiary to act as the general partner, the special limited partner and the management company, respectively, of the Fund. The Company has committed an aggregate amount of US$105,000,000 (equivalent to HK$819,000,000) to subscribe for interest in the Fund through its own indirect wholly-owned subsidiary and the special limited partner of the Fund. As at 31 December 2024, the Group invested approximately HK$819,749,000 (2023: HK$819,000,000) in the Fund.

In September 2019, the Company and CNTIC, through their respective subsidiaries, established CNTIC VPower Group Holdings Limited ("CNTIC VPower"), which is indirectly owned as to 50% by each of the Company and CNTIC. CNTIC VPower, together with its subsidiaries, was principally engaged in the development and operation of three power generation projects in Myanmar. As at 31 December 2024, the Group invested approximately HK$700,444,000 (2023: HK$700,444,000) in CNTIC VPower.

In June 2022, the shareholders' agreement of Genrent del Peru S.A.C. ("Genrent Peru") and VPTM Iquitos S.A.C. ("VPTM Iquitos") (collectively, the "Genrent Peru Group"), the then 51%-owned subsidiaries of the Group, was amended such that (i) the composition of the boards of directors of Genrent Peru and VPTM Iquitos is shared equally between the Group and shareholders holding an aggregate of 49% equity interests in Genrent Peru and VPTM Iquitos; and (ii) the shareholders' resolutions of Genrent Peru and VPTM Iquitos require consent of shareholders holding not less than two-thirds of the issued capital of Genrent Peru and VPTM Iquitos. In the opinion of the directors of the Company, after the amendment of the shareholders' agreement, the Group ceased to have control over the Genrent Peru Group and the Genrent Peru Group became joint ventures of the Group thereafter. The Group recognised its 51% equity interests in the Genrent Peru Group as interests in joint ventures.

18. INTERESTS IN JOINT VENTURES (CONTINUED)

Particulars of the Group's material joint ventures are as follows:

Name	Registered capital/ Capital contribution	Place of registration and business	Percentage of Ownership interest 2024	2023	Voting power 2024	2023	Profit sharing 2024	2023	Principal activities
Tamar VPower Energy Fund I, L.P.	US$210,192,243 (2023: US$210,000,000)	Cayman Islands	50	50	50	50	50	50	Investment holding
CNTIC VPower Group Holdings Limited	US$179,601,000	Hong Kong	50	50	50	50	50	50	Development and operation of power generation projects
Genrent Peru	PEN57,318,175	Peru	51	51	50	50	51	51	Provision of distributed power solutions
VPTM Iquitos	PEN1,000	Peru	51	51	50	50	51	51	Provision of operation and maintenance services

The above investments are indirectly held by the Company.

During the year ended 31 December 2024 and 31 December 2023, the Group has discontinued the recognition of its share of loss of a joint venture, CNTIC VPower, because the share of loss of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further loss. The amounts of the Group's unrecognised share of loss of this joint venture for the current year was HK$101,057,000 (2023: HK$635,138,000) and the cumulative unrecognised share of loss of a joint venture was HK$736,195,000 (2023: HK$635,138,000).

The Fund, CNTIC VPower and the Genrent Peru Group, which are considered material joint ventures of the Group, are accounted for using the equity method.

18. INTERESTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information in respect of the Fund reconciled to the carrying amount in the consolidated financial statements:

	2024 HK$'000	2023 HK$'000
Cash and cash equivalents	753	2,216
Other current assets	—	88
Current assets	753	2,304
Non-current assets	1,402,360	1,618,156
Current liabilities	(785)	(9,805)
Net assets	1,402,328	1,610,655
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	50%	50%
Group's share of net assets of the joint venture and carrying amount of the investment	701,164	805,327
Revenue	17,198	16,285
Profit and total comprehensive income for the year	3,952	9,517
Distributions received	106,890	43,123

18. INTERESTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information in respect of CNTIC VPower reconciled to the carrying amount in the consolidated financial statements:

	2024 HK$'000	2023 HK$'000
Cash and cash equivalents	48,338	58,609
Other current assets	517,619	323,643
Current assets	565,957	382,252
Non-current assets	3,047,529	3,362,523
Current liabilities	(5,061,511)	(4,883,040)
Non-current liabilities	–	(109,847)
Net liabilities	(1,448,025)	(1,248,112)
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	50%	50%
Group's share of net assets of the joint venture and carrying amount of the investment	–	–
Revenue	281,169	54,194
Other income	1,408	340,439
Loss and total comprehensive loss for the year	(202,115)	(2,703,386)

18. INTERESTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information in respect of the Genrent Peru Group reconciled to the carrying amount in the consolidated financial statements:

	2024 HK$'000	2023 HK$'000
Cash and cash equivalents	87,642	46,780
Other current assets	224,171	244,252
Current assets	311,813	291,032
Non-current assets	849,068	881,473
Current liabilities	(132,086)	(135,871)
Non-current liabilities	(646,092)	(670,159)
Net assets	382,703	366,475
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	51%	51%
Group's share of net assets of the joint venture and carrying amount of the investment	195,179	186,902
Revenue	672,736	645,294
Profit and total comprehensive income for the year	42,168	12,206
Distribution received	13,226	—

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2024 HK$'000	2023 HK$'000
Share of the joint ventures' losses and total comprehensive losses for the year	7,353	74
Aggregate carrying amount of the Group's interests in the joint ventures	(7,802)	(449)

19. INVENTORIES

	2024 HK$'000	2023 HK$'000
Raw materials	69,215	100,788
Work in progress	255	17,710
Finished goods	464,460	769,182
Spare parts and consumables	125,625	141,785
Total	659,555	1,029,465

As at 31 December 2024, certain of the Group's inventories with a net carrying amount of HK$146,494,000 (2023: HK$161,454,000) were pledged to secure banking facilities granted to the Group (note 28).

20. TRADE AND BILLS RECEIVABLES

	2024 HK$'000	2023 HK$'000
Trade receivables	2,899,320	2,873,815
Bills receivable	468	402
Impairment	(1,281,094)	(1,258,010)
Net carrying amount	1,618,694	1,616,207

At 1 January 2023, trade receivables from contracts with customers amounted to HK$2,899,800,000 (after deducting the allowance for credit losses of HK$97,602,000).

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods range from 30 to 360 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

Included in the Group's trade receivables, net of loss allowance are amount due from a subsidiary of a joint venture of HK$1,126,226,000 (2023: HK$1,152,417,000), which are repayable within a credit period of 360 days (2023: 360 days) and overdue (2023: overdue).

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 HK$'000	2023 HK$'000
Within 90 days	**136,693**	106,477
91 to 180 days	**6,387**	77,514
181 to 360 days	**11,322**	344,673
Over 360 days	**1,464,292**	1,087,543
Total	**1,618,694**	1,616,207

The movements in the loss allowance for impairment of trade receivables are as follows:

	SI segment HK$'000	**IBO segment** HK$'000	**Total** HK$'000
At 1 January 2023	2,331	95,271	97,602
Impairment losses/(reversal of impairment losses), net *(note 9)*	1,177,077	(8,752)	1,168,325
Amount written off as uncollectible	(7,942)	—	(7,942)
Exchange realignment	(46)	71	25
At 31 December 2023	1,171,420	86,590	1,258,010
Impairment losses, net *(note 9)*	21,846	1,312	23,158
Exchange realignment	(74)	—	(74)
At 31 December 2024	1,193,192	87,902	1,281,094

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

SI segment

Subsidiaries of a joint venture

An impairment analysis was performed on the gross amounts due from subsidiaries of a joint venture of HK$1,714,569,000 (2023: HK$1,720,760,000) as at 31 December 2024 by considering the probability of default of counterparties. The Group also took into account the background, repayment history, current condition and forward-looking information to reflect the debtors' probability of default under the current conditions and forecasts of future economic conditions, as appropriate. As at 31 December 2024, the probability of default applied was 100% (2023: 100%) as the trade receivables are unlikely to be repaid in full when they are called upon, the loss given default was estimated to be 32.20% (2023: 32.87%) based on the fair values of the considerations expected to be received, including the values of the engine-based electricity generation units to be taken possession of by the Group and the settlement expected to be received from a subsidiary of a joint venture in an anticipated recovery scenario, taking into account of forward-looking information. The loss allowance as at 31 December 2024 was HK$588,343,000 (2023: HK$568,343,000).

Other trade debtors

As at 31 December 2024, an impairment analysis was performed on the gross amounts due from certain customers of HK$918,613,000 (2023: HK$924,853,000) by considering the probability of default of counterparties. The trade receivables from these customers no longer shared similar credit risk characteristics as other trade receivables of the SI segment and individual assessment was considered more appropriate under the current circumstances. The Group also took into account the debtors' background, repayment history, current condition and forward-looking information to reflect the debtors' probability of default under the current conditions and forecasts of future economics conditions, as appropriate. As at 31 December 2024, the probability of default applied was 100% (2023: 100%), the loss given default was estimated to be 61.1% (2023: 61.8%) and the loss allowance was HK$600,187,000 (2023: HK$600,187,000).

For trade debtors other than above, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

20. TRADE AND BILLS RECEIVABLES (CONTINUED)

SI segment (Continued)

Other trade debtors (Continued)

Set out below is the information about the credit risk exposure on the Group's other trade receivables of the SI segment using a provision matrix:

As at 31 December 2024

		Past due			
	Current	**1 to 30 days**	**31 to 90 days**	**Over 90 days**	**Total**
Expected credit loss rate	**0.76%**	**3.49%**	**8.07%**	**34.95%**	**7.48%**
Gross carrying amount (HK$'000)	**49,605**	**886**	**582**	**12,254**	**63,327**
Expected credit losses (HK$'000)	**377**	**31**	**47**	**4,282**	**4,737**

As at 31 December 2023

		Past due			
	Current	1 to 30 days	31 to 90 days	Over 90 days	Total
Expected credit loss rate	1.03%	10.46%	25%	46.07%	10.66%
Gross carrying amount (HK$'000)	20,815	631	4	5,661	27,111
Expected credit losses (HK$'000)	215	66	1	2,608	2,890

IBO segment

An impairment analysis is performed at each reporting date by considering the probability of default of counterparty. The Group also takes into account the forward-looking information to reflect the debtors' probability of default under the current conditions and forecasts of future economic conditions, as appropriate. As at 31 December 2024, the probability of default applied ranged from 0.01% to 100% (2023: 0.01% to 100%), and the loss given default was estimated to be 59.9% to 100% (2023: 60.1% to 100%).

Bills receivable

The Group applies a general approach in calculating ECLs for bills receivable. The Group classifies such instruments as Stage 1 and measures ECLs on a 12-month basis. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. As at 31 December 2024 and 2023, all of the bills receivable were not past due and the expected credit losses were assessed to be minimal.

21. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND OTHER ASSETS

	2024 HK$'000	2023 HK$'000
Prepayments	40,625	25,616
Consideration receivables from disposal of property, plant and equipment *(note 34(a))*	659,510	—
Deposits and other receivables	180,191	161,848
Due from joint ventures	2,540	2,821
Contract assets *(note)*	4,756	5,252
Total	887,622	195,537
Current portion included in prepayments, deposits, other receivables and other assets	(839,867)	(141,368)
Non-current portion	47,755	54,169

The amounts due from joint ventures are unsecured, interest-free and repayable on demand.

Include in the Group's other receivables are amounts due from subsidiaries of joint venture of HK$8,830,000 (2023: HK$8,830,000) and amount due from immediate holding company of HK$72,479,000 (2023: HK$72,479,000). The amounts are unsecured, interest-free and repayable on demand.

As at 31 December 2024, the consideration receivables from disposal of property, plant and equipment represented the amounts due from immediate holding company of HK$659,510,000 for assets held for sales. Details are set out in note 34(a).

The financial assets included in the above balances relate to deposits, other receivables, consideration receivables from disposal of property, plant and equipment and amounts due from joint ventures for which there was no recent history of default and past due amounts. As at 31 December 2024 and 2023, the loss allowance was assessed to be minimal.

Note:

	31 December 2024 HK$'000	31 December 2023 HK$'000	1 January 2023 HK$'000
Contract assets arising from sale of engine-based electricity generation units and construction services	6,661	5,946	7,486
Impairment	(1,905)	(694)	(176)
Net carrying amount	4,756	5,252	7,310

Contract assets are initially recognised for revenue earned from the sale of engine-based electricity generation units and the provision of related construction services as the receipt of consideration is conditional on successful completion of installation of the engine-based electricity generation units and construction, respectively. Included in contract assets are mainly retention receivables. The retention receivables recognised as contract assets are reclassified to trade receivables after a retention period ranging from one to two years from the date of completion of the installation or construction. The increase (2023: decrease) in gross contract assets in 2024 was the result of the increase (2023: decrease) in the ongoing sale of engine-based electricity generation units and the provision of construction services during the year.

During the year ended 31 December 2024, a loss allowance of HK$1,211,000 (2023: HK$970,000) was recognised for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 20 to the financial statements.

21. PREPAYMENTS, DEPOSITS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Note: (Continued)

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2024 **HK$'000**	2023 HK$'000
Within one year	**4,756**	5,252

The movements in the loss allowance for impairment of contract assets are as follows:

	2024 **HK$'000**	2023 HK$'000
At beginning of year	**694**	176
Impairment losses, net *(note 9)*	**1,211**	970
Amount written off as uncollectible	**–**	(440)
Exchange realignment	**–**	(12)
At end of year	**1,905**	694

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer base. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

As at 31 December

	2024	2023
Expected credit loss rate	**28.60%**	11.67%
Gross carrying amount (HK$'000)	**6,661**	5,946
Expected credit losses (HK$'000)	**1,905**	694

22. DERIVATIVE FINANCIAL INSTRUMENTS

	2024		2023	
	Assets HK$'000	**Liabilities HK$'000**	Assets HK$'000	Liabilities HK$'000
Forward currency contracts	**6,146**	**—**	—	6,508

The Group has entered into various forward currency contracts to manage its exchange rate exposures. These forward currency contracts are not designated for hedge purposes and are measured at fair value through profit or loss. Gain in the fair value of non-hedging currency derivatives amounting to HK$13,250,000 (2023: loss of HK$5,107,000) was credited (2023: charged) to the consolidated statement of profit or loss during the year.

23. RESTRICTED CASH

The Group is required to maintain certain cash amounts in designated bank accounts in Hong Kong as secured deposits for the repayment of principal and interest on bank borrowings (note 28). As of 31 December 2024, this amount is US$1,579,000 (equivalent to approximately HK$12,315,000), compared to US$1,572,000 (equivalent to approximately HK$12,259,000) as at 31 December 2023.

24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Notes	**2024 HK$'000**	2023 HK$'000
Cash and bank balances		**135,123**	144,592
Less: Pledged deposits for banking facilities and bank borrowings	28	**—**	(1,100)
Less: Restricted cash	23	**(12,315)**	(12,259)
Cash and cash equivalents		**122,808**	131,233

24. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

The Group's cash and cash equivalents are denominated in the following currencies:

	2024 **HK$'000**	2023 HK$'000
Hong Kong dollars	**1,393**	10,799
Euro ("EUR")	**2,759**	1,263
Renminbi ("RMB")	**8,317**	6,697
United States dollars ("USD")	**29,141**	76,753
Indonesian Rupiah ("IDR")	**8,913**	1,893
BRL	**11,754**	26,553
Burmese Kyats ("MMK")	**45,618**	2,942
United Arab Emirates Dirham ("AED")	**14,627**	2,193
Others	**286**	2,140
Total	**122,808**	131,233

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

25. TRADE AND BILLS PAYABLES

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

	2024 **HK$'000**	2023 HK$'000
Within 90 days	**50,504**	112,178
91 to 180 days	**1,792**	12,891
181 to 360 days	**112,548**	4,605
Over 360 days	**338,272**	388,964
Total	**503,116**	518,638

25. TRADE AND BILLS PAYABLES (CONTINUED)

Included in the Group's trade payables are amounts due to subsidiaries of a joint venture of HK$169,291,000 (2023: HK$157,865,000), which are repayable on demand, and amounts due to the immediate holding company of HK$221,112,000 (2023: HK$190,034,000), which are repayable on demand.

Other trade and bills payables are non-interest-bearing and are normally settled on terms ranging from 30 to 360 days.

26. OTHER PAYABLES AND ACCRUALS

	2024 **HK$'000**	2023 HK$'000
Due to engineering, procurement and construction contractors ("EPC Contractors")	**132,114**	132,001
Other payables	**166,021**	215,378
Loan payables	**440,700**	156,780
Dividend payable	**597**	600
Accruals	**398,245**	249,981
Total	**1,137,677**	754,740
Current portion included in other payables and accruals	**(1,136,587)**	(753,481)
Non-current portion	**1,090**	1,259

The amounts due to EPC Contractors and sundry payables are unsecured and non-interest bearing.

The amounts due to EPC Contractors with a carrying amount as at 31 December 2024 of HK$132,114,000 (2023: HK$132,001,000) are repayable to the immediate holding company and are overdue (2023: repayable by instalments up to January 2024).

Included in the Group's loan payables are amounts due to subsidiaries of a joint venture of HK$50,700,000 (2023: HK$156,780,000), which are unsecured, repayable on demand and bore interest at a rate of 7.25% per annum (2023: range of 7.25%-8.0% per annum), and amount due to a fellow subsidiary of immediate holding company of HK$390,000,000 (2023: nil), which is secured by a charge of certain listed securities of the Company held by an entity which is controlled by a director of the Company and a charge of certain property, plant and equipment held by a subsidiary of a joint venture, repayable on demand and bore interest at a rate of 7.2% per annum.

Included in the Group's other payables are amount due to a joint venture of HK$117,000,000 (2023: HK$117,000,000), which has no fixed terms of repayment. Included in accruals are amounts due to subsidiaries of a joint venture of HK$53,805,000 (2023: HK$36,989,000), which are repayable on demand, and amount due to a fellow subsidiary of immediate holding of company of HK$24,283,000 (2023: nil), which are repayable within one year. Those amounts are unsecured and non-interest bearing.

27. CONTRACT LIABILITIES

	31 December 2024 HK$'000	31 December 2023 HK$'000	1 January 2023 HK$'000
Short-term advances received from customers			
Sale of engine-based electricity generation units	**116,734**	233,777	227,539

Contract liabilities are short-term advances received from customers for the sale of engine-based electricity generation units.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2024			31 December 2023		
	Effective interest rate (%)	**Maturity**	**HK$'000**	Effective interest rate (%)	Maturity	HK$'000
Current						
Bank overdrafts – unsecured	**–**	**–**	**–**	5.32–19.5	2023	8,791
Portions of bank loans due for repayment within one year or on demand – secured	**7.53–16.61**	**2023–2024**	**438,615**	8.36–16.61	2023	510,968
Portions of bank loans due for repayment within one year or on demand – unsecured	**5.92–14.50**	**2023–2024**	**1,722,638**	4.52–13.18	2023–2024	2,122,118
Other borrowings – secured*	**5.51–6.2**	**2023–2025**	**75,384**	5.51–6.2	2023–2024	75,130
Total – current			**2,236,637**			2,717,007
Non-current						
Other borrowings – secured*	**5.51**	**2028**	**35,556**	5.51	2028	50,194
Total			**2,272,193**			2,767,201

* Including in the balance as at 31 December 2024 represented other borrowing of HK$47.8 million (2023: HK$62.1 million) received from an affiliate of the controlling shareholder, which bears interest of 5.5% (2023: 5.5%) per annum are repayable by instalments up to August 2028 (2023: August 2028).

28. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Based on the original maturity terms of these term loans, the Group's bank and other borrowings are repayable:

	Bank loans and overdrafts		Other borrowings	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
The carrying amounts of the borrowings are repayable:				
Within one year or on demand	**2,161,253**	2,641,877	**75,384**	75,130
Within a period of more than one year but not exceeding two years	**–**	–	**12,881**	12,623
Within a period of more than two years but not exceeding five years	**–**	–	**22,675**	37,571
	2,161,253	2,641,877	**110,940**	125,324
Less: Amounts due within one year shown under current liabilities	**(2,161,253)**	(2,641,877)	**(75,384)**	(75,130)
Amounts shown under non-current liabilities	**–**	–	**35,556**	50,194

As at 31 December 2024, certain bank and other borrowings amounting to HK$2,131.8 million, including HK$2,068.6 million of bank loans and HK$63.2 million of other borrowings (2023: HK$2,330.6 million, including HK$2,267.4 million of bank loans and HK$63.2 million of other borrowings) are repayable on demand due to non-compliance of loan covenants. The Group failed to repay these bank and other borrowings and no wavier was obtained from creditor banks as of 31 December 2024 and up to the date of approval of these consolidated financial statements. Management expects these bank and other borrowings will be repayable upon the completion of the financing arrangements undertaken by the Company, further details of which are set out in note 3.1 to the consolidated financial statements.

(a) Certain of the Group's bank and other borrowings are secured by:

(i) the pledge of certain of the Group's property, plant and equipment with a net carrying amount of HK$107,735,000 (2023: HK$125,847,000) as at 31 December 2024 (note 15);

(ii) the pledge of certain of the Group's inventories with a net carrying amount of HK$146,494,000 (2023: HK$161,454,000) as at 31 December 2024 (note 19);

(iii) the pledge of certain of the Group's cash deposits HK$1,100,000 as at 31 December 2023 (2024: nil) (note 24);

(iv) certain debt service reserves in the form of restricted cash amounting to US$1,579,000 (equivalent to approximately HK$12,315,000) (2023: US$1,572,000 (equivalent to approximately HK$12,259,000)) as at 31 December 2024 (note 23); and

(v) the pledge of the issued share capital of a subsidiary of the Group as at 31 December 2024 and 31 December 2023.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(b) The Group's bank and other borrowings are denominated in the following currencies:

	2024 **HK$'000**	2023 HK$'000
USD	**1,987,961**	2,310,133
Hong Kong dollars	**122,270**	132,039
BRL	**92,663**	183,295
RMB	**47,765**	77,878
EUR	**21,534**	52,902
GBP	**—**	8,791
AED	**—**	2,163
Total	**2,272,193**	2,767,201

29. PROVISION FOR RESTORATION

	2024 **HK$'000**	2023 HK$'000
At 1 January	**5,484**	6,483
Additional provision	**994**	431
Amount utilised during the year	**—**	(1,434)
Exchange alignment	**(39)**	4
At 31 December	**6,439**	5,484
Portion classified as current liabilities	**(4,273)**	(5,205)
Non-current portion	**2,166**	279

The provision for restoration represents management's best estimate of the Group's liabilities of the costs of dismantling and removing the leasehold improvements and facilities and restoring the sites on which they are located.

30. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities	Depreciation allowances in excess of related depreciation HK$'000	Right-of-use assets HK$'000	Withholding tax HK$'000	Total HK$'000
At 1 January 2023	36,979	3,943	8,082	49,004
Deferred tax credited to the consolidated statement of profit or loss during the year	(36,979)	(823)	(2,530)	(40,332)
At 31 December 2023	–	3,120	5,552	8,672
Deferred tax (credited)/charged to the consolidated statement of profit or loss during the year	–	(1,441)	7,117	5,676
Exchange realignment	–	–	(941)	(941)
Gross deferred tax liabilities at 31 December 2024	–	1,679	11,728	13,407

Deferred tax assets	Lease liabilities HK$'000	Depreciation in excess of related depreciation allowances/Unrealised profits on inventories/ Others HK$'000	Losses available for offsetting against future taxable profits HK$'000	Total HK$'000
At 1 January 2023	3,943	2,672	49,377	55,992
Deferred tax (charged)/credited to the consolidated statement of profit or loss during the year	(823)	620	(33,109)	(33,312)
Exchange realignment	–	19	1,227	1,246
At 31 December 2023	3,120	3,311	17,495	23,926
Deferred tax charged to the consolidated statement of profit or loss during the year	(1,441)	(400)	(11,742)	(13,583)
Exchange realignment	–	(30)	(5,753)	(5,783)
Gross deferred tax assets at 31 December 2024	1,679	2,881	–	4,560

30. DEFERRED TAX (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 HK$'000	2023 HK$'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(11,728)**	(5,553)
Net deferred tax assets recognised in the consolidated statement of financial position	**2,881**	20,807
Net deferred tax (liabilities)/assets	**(8,847)**	15,254

As at 31 December 2024, the Group has tax losses arising in Hong Kong of HK$790,001,000 (2023: HK$315,542,000) that are available indefinitely for offsetting against future taxable profits in which the losses arouse.

As at 31 December 2024, the Group also has tax losses arising in Chinese Mainland of HK$18,632,000 (2023: HK$20,306,000) that will expire in one to five years for offsetting against future taxable profits.

As at 31 December 2023, the Group also had tax losses arising in Brazil of BRL10,875,000 (equivalent to approximately HK$16,640,000) (2024: nil) that would expire in three years for offsetting against future taxable profits.

Deferred tax assets of HK$133,424,000 (2023: HK$68,258,000) have not been recognised in respect of these losses they have arisen in subsidiaries that have been loss making and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets of HK$200,115,000 (2023: HK$192,776,000) have not been recognised in respect of the unrecognised temporary differences as it is not considered probable that taxable profits will be available against which the items can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008. For the Group, the applicable rate is 5% or 10%.

31. SHARE CAPITAL

Shares

	Note	2024 HK$'000	2023 HK$'000
Authorised:			
10,000,000,000 ordinary shares of HK$0.1 each	(a)	**1,000,000**	1,000,000
Issued and fully paid:			
6,683,150,524 ordinary shares of HK$0.1 each		**668,315**	668,315

A summary of movements in the Company's authorised and issued share capital is as follows:

	Note	Number of ordinary shares	Nominal value of ordinary shares HK$'000
At 1 January 2023		5,000,000,000	500,000
Increase in authorised share capital	(a)	5,000,000,000	500,000
At 31 December 2023 and 31 December 2024		10,000,000,000	1,000,000

	Note	Number of ordinary shares	Nominal value of ordinary shares HK$'000
At 1 January 2023		2,701,693,013	270,169
Issue of shares for subscription by the new controlling shareholder	(b)	3,290,457,511	329,046
Issue of shares for placing to public shareholders	(b)	691,000,000	69,100
At 31 December 2023 and 31 December 2024		6,683,150,524	668,315

(a) On 15 September 2023, an ordinary resolution was passed in the extraordinary general meeting of the Company to increase the authorised share capital of the Company from HK$500,000,000 divided into 5,000,000,000 shares to HK$1,000,000,000 divided into 10,000,000,000 shares by creation of an additional 5,000,000,000 new shares.

(b) On 26 September 2023, the Company completed a share subscription and allotted and issued 3,290,457,511 ordinary shares, at the subscription price of HK$0.42 per share, representing a premium of approximately 2.44% over the closing price of HK$0.41 per share as quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 June 2023 (the date of subscription agreement where the terms of the issue were fixed), for a total subscription amount of HK$1,381,992,000 which was satisfied in full by way of application of and offsetting the trade payable by the Group to the subscriber. On the same day and simultaneously with the subscription, the Company allotted and issued 691,000,000 ordinary shares by placing to public placees at a placing price of HK$0.33 per share, representing a premium of 10.00% over the closing price of HK$0.30 per share as quoted on the Stock Exchange on 24 August 2023 (the date of placing agreement where the terms of the placing were fixed), for a total proceeds of approximately HK$228,030,000 in cash, before expenses of HK$14,337,000.

32. SHARE AWARD SCHEME

The Company adopted a share award scheme on 18 July 2017 (the "Share Award Scheme") for the purpose of recognising the contributions by certain eligible participants and providing them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

Eligible participants of the Share Award Scheme include the Company's directors, senior management, other employees and consultants of the Group. The Share Award Scheme will remain in force for 10 years from 18 July 2017, unless otherwise cancelled or amended.

The maximum number of shares currently permitted to be granted under the Share Award Scheme is limited to 5% of the issued share capital of the Company at any time. The maximum number of shares which may be awarded to each eligible participant in the Share Award Scheme is limited to 1% of the issued share capital of the Company from time to time.

The eligible participants for participation in the Share Award Scheme (the "Selected Participants") are selected and the number of shares to be awarded under the Share Award Scheme is determined by the board of directors. The shares to be awarded under the Share Award Scheme may be new shares to be allotted or shares purchased by a trustee (the "Trustee") from the open market out of cash contributed by the Group and be held on trust for the Selected Participants until such shares are vested with the Selected Participants in accordance with the provisions of the Share Award Scheme.

The Trustee shall not exercise the voting rights in respect of any shares held on trust for the Group or the Selected Participants.

As at 31 December 2024 and 2023, 13,667,000 shares were classified as treasury shares of the Company as they were not yet awarded to and vested with any Selected Participants.

The Company's shares held under the Share Award Scheme are as follows:

	Number of ordinary shares '000	**Shares held under the Share Award Scheme** HK$'000
As at 1 January 2023, 31 December 2023 and 31 December 2024	13,667	36,698

During the year, the Group did not recognise share-based payment expense (2023: Nil).

33. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(a) Merger reserve

The merger reserve represents the excess of the net asset value of Crest Pacific Investments Limited ("Crest Pacific") over the nominal value of the shares of Crest Pacific acquired by the Company pursuant to the reorganisation of the Company in connection with the listing of the shares of the Company in 2016 (the "Reorganisation").

(b) Capital reserve

Capital reserve mainly represents the deemed capital contribution from Mr. Lam Yee Chun, a substantial shareholder and an executive director of the Company, in respect of (i) the disposal of 276,000 shares of Crest Pacific to certain employees and consultants at par value in 2012 in exchange for services rendered by the employees and consultants to the Group; (ii) the transfer of 10% equity interest in Crest Pacific in 2013 in exchange for the Group's acquisition of the remaining 20% equity interest in VPower Technology Limited from the non-controlling shareholder; and (iii) the disposal of 120,000 shares of Crest Pacific to a consultant at par value in 2013 in exchange for services rendered by the consultant to the Group; and the excess of the net asset value of Crest Pacific acquired by the Company pursuant to the Reorganisation over the nominal value of the Company's shares issued in exchange therefor.

(c) Statutory reserve funds

Pursuant to the relevant laws and regulations in Chinese Mainland, a portion of the profits of the Company's subsidiaries in Chinese Mainland has been transferred to the statutory reserve funds which are restricted to use.

(d) Exchange fluctuation reserve

Exchange fluctuation reserve comprises all foreign currency exchange differences arising from the translation of the financial statements of foreign operations.

34. ASSETS HELD FOR SALE

(a) On 4 September 2024, CNTIC Capital (Hong Kong) Co., Limited ("CNTIC Capital"), a 95% owned subsidiary of CNTIC, and CNTIC (collectively the "Buyers") and certain subsidiaries of the Company (the "Sellers") entered into an equipment purchase agreement, pursuant to which, each of the Sellers agreed to sell to the Buyers, and CNTIC Capital agreed to purchase from the Sellers certain mobile power generating sets and their ancillary equipment and accessories ("Batch 1 Equipment"), CNITC agreed to purchase from the Sellers certain mobile power generating sets and their related ancillary equipment and accessories ("Batch 2 Equipment") and certain mobile power generating sets and their ancillary equipment and accessories ("Batch 3 Equipment") at a consideration of RMB610,488,119 (approximately equivalent to HK$671,537,000), RMB660,811,889 (approximately equivalent to HK$726,893,000) and RMB341,668,962 (approximately HK$375,836,000), respectively. The directors of the Company considered that the held-for-sale criteria as set out in HKFRS 5 were met, by taking into account the fact that the subject assets were immediately available for sale, and the sale is to be highly probable as appropriate level of management had committed to a plan to sell the assets. The sale of Batch 1 Equipment with net carrying value of HK$565,554,000 was completed on 31 December 2024 and cleared funds for the consideration of RMB610,488,119 (approximately equivalent to HK$659,510,000) was received on 2 January 2025. Batch 2 Equipment and Batch 3 Equipment of HK$877,818,000 included in "Property, plant and equipment" were classified as assets held for sale as at 31 December 2024.

(b) During the year ended 31 December 2024, the Group had an arrangement with CNTIC to transfer back certain power generating sets along with their associated ancillary equipment and accessories. The directors of the Company determined that the criteria for held-for-sale classification as outlined in HKFRS 5 were met. The determination was based on the fact that the assets were readily available for sale, and the likelihood of the arrangement was highly probable due to the management had committed to such arrangement. Accordingly, the total respective assets of HK$91,510,000 in which HK$90,240,000 under "Property, plant and equipment" and HK$1,270,000 under "Inventories" were reclassified as assets held for sale as of 31 December 2024.

(c) During the year ended 31 December 2023, the Group negotiated with an independent third party to dispose of a distributed power station and sales agreement was signed between the Group and the independent third party while certain testing criteria has not yet been fulfilled in Myanmar as at the reporting period end. In the opinion of the directors, the sale was considered highly probable and was expected to be completed within one year from the date of reclassification. Accordingly, the related distributed power station of HK$14,304,000 included in "Property, plant and equipment" were classified as assets held for sale as at 31 December 2023 and the transaction was completed on 11 March 2024 with an independent third party at an aggregate consideration of HK$16,380,000.

35. DECONSOLIDATION OF SUBSIDIARIES AND DISPOSAL OF SUBSIDIARIES

(a) During the year ended 31 December 2024, certain subsidiaries of the Company incorporated in the United Kingdom have been undergoing creditor's voluntary winding up and a liquidator was appointed to each of such subsidiaries. Pursuant to Insolvency Act 1986 of the United Kingdom, all the powers of the directors of a company ceased upon the appointment of the liquidator. In the opinion of directors of the Company, the liquidation process cannot be reversed on the ground that the winding-up is legitimate as set out under section 123 of the Insolvency Act 1986. Accordingly, the Group lost the control over those subsidiaries and the assets and liabilities of those subsidiaries are derecognised from the consolidated statement of financial position.

	Notes	2024 HK$'000
Net assets deconsolidated:		
Property, plant and equipment	15	60,267
Right-of-use assets	16(a)	23,457
Other intangible assets	17	8,801
Prepayments, deposits and other receivables		2,997
Cash and cash equivalents		250
Amounts due from former group companies		36
Amounts due to former group companies		(169,053)
Other payables and accruals		(43,282)
Lease liabilities	16(b)	(42,134)
Exchange fluctuation reserve		(638)
		(159,299)
Written off of amounts due from the former subsidiaries		169,017
Loss on deconsolidation of subsidiaries		9,718

An analysis of the outflow of cash and cash equivalents in respect of the deconsolidation of subsidiaries is as follows:

	2024 HK$'000
Cash and cash equivalents deconsolidated and outflow of cash and cash equivalents in respect of the deconsolidation of subsidiaries	(250)

35. DECONSOLIDATION OF SUBSIDIARIES AND DISPOSAL OF SUBSIDIARIES (CONTINUED)

(b) During the year ended 31 December 2023, the Group disposed of its entire 100% equity interest in Chance Victor Limited and Jasmine Castle Limited and its subsidiaries (the "Guatemala Group") for a consideration of approximately HK$10,000. The Guatemala Group was principally engaged in the provision of distributed power solutions, including the design of, investment in, building and operation of distributed power generation station. The transaction was completed on 11 August 2023.

The assets and liabilities of the Guatemala Group as at date of disposal were as follows:

	Note	2023 HK$'000
Net assets disposed of:		
Investment in joint venture		4
Prepayments, deposits and other receivables		8,044
Cash		62
Accruals, other payables and deposits received		(934)
		7,176
Loss on disposal of subsidiaries	9	(7,166)
		10
Satisfied by cash		10

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of the Guatemala Group is as follows:

	HK$'000
Cash consideration	10
Cash and cash equivalents disposed of	(62)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	(52)

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

(i) During the year, the Group had non-cash additions to right-of-use assets, lease liabilities and provision of restoration of HK$228,353,000 (2023: HK$1,308,000), HK$227,359,000 (2023: HK$1,308,000) and HK$994,000 (2023: nil), respectively, in respect of lease arrangements for leased properties and machinery (2023: leased properties).

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK$1,018,000 (2023: HK$268,000) and HK$1,018,000 (2023: HK$268,000), respectively, in respect of lease modifications for leased properties.

During the year, the Group derecognised right-of-use assets and lease liabilities of HK$230,000 (2023: HK$401,000) and HK$314,000 (2023: HK$406,000), respectively, in respect of early termination of a lease arrangement for a motor vehicle (2023: a leased property).

(ii) During the year ended 31 December 2023, the Group offsetted the capitalised EPC amount of HK$1,381,992,000 in trade payables, in respect of the 3,290,457,511 shares allotted and issued on 26 September 2023.

(iii) During the year ended 31 December 2023, the Group had offsetted the proceeds from disposal of items of property, plant and equipment of HK$40,904,000 in trade payables, in respect of the agreed offsetting agreement with the counterparty.

(iv) During the year ended 31 December 2024, the Group had offsetted the loan payable to a subsidiary of a joint venture of HK$106,080,000 and investment in the joint venture of HK$749,000 by distribution from the joint venture of HK$106,829,000.

(v) The Group entered into contractual agreements in respect of its office premises and the power generation agreements in respect of its power generation assets. Pursuant to the terms and conditions of the contractual agreements and the power generation agreements, the Group is required to restore the office premises and the power generation sites to the conditions as stipulated in the agreements. During the year ended 31 December 2023, the Group has accrued and capitalised the estimated restoration cost of HK$431,000 when such obligation has arisen.

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities

	Dividend payable HK$'000	Loan payables HK$'000	Interest-bearing bank and other borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 January 2023	—	78,000	2,921,234	102,825	3,102,059
Changes from financing cash flows	—	78,780	(185,209)	(12,565)	(118,994)
Interest paid classified as operating cash flows	—	—	—	(3,683)	(3,683)
Increase in bank overdrafts	—	—	756	—	756
Non-cash changes:					
Amortisation of debt establishment costs	—	—	17,157	—	17,157
New leases	—	—	—	1,308	1,308
Reassessment on lease term	—	—	—	(38,800)	(38,800)
Early termination of a lease	—	—	—	(406)	(406)
Interest on lease liabilities	—	—	—	3,683	3,683
Other change	600	—	—	—	600
Foreign exchange movement	—	—	13,263	3,046	16,309
At 31 December 2023 and 1 January 2024	600	156,780	2,767,201	55,408	2,979,989
Changes from financing cash flows	**—**	**390,000**	**(457,758)**	**(11,280)**	**(79,038)**
Interest paid classified as operating cash flows	**—**	**—**	**—**	**(2,947)**	**(2,947)**
Decrease in bank overdrafts	**—**	**—**	**(8,791)**	**—**	**(8,791)**
Non-cash changes:					
Amortisation of debt establishment costs	**—**	**—**	**6,126**	**—**	**6,126**
New leases	**—**	**—**	**—**	**227,359**	**227,359**
Deconsolidation of subsidiaries *(note 35(a))*	**—**	**—**	**—**	**(42,134)**	**(42,134)**
Reassessment on lease modifications	**—**	**—**	**—**	**1,018**	**1,018**
Early termination of a lease	**—**	**—**	**—**	**(314)**	**(314)**
Interest on lease liabilities	**—**	**—**	**—**	**2,947**	**2,947**
Other change *(note 36(a)(iv))*	**—**	**(106,080)**	**—**	**—**	**(106,080)**
Foreign exchange movement	**(3)**	**—**	**(34,585)**	**(1,703)**	**(36,291)**
At 31 December 2024	**597**	**440,700**	**2,272,193**	**228,354**	**2,941,844**

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 HK$'000	2023 HK$'000
Within operating activities	**9,361**	11,078
Within financing activities	**11,280**	12,565
Total	**20,641**	23,643

37. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2024 HK$'000	2023 HK$'000
Contracted, but not provided for:		
Power generation assets	**602,868**	26,368

38. RELATED PARTY TRANSACTIONS

(a) In addition to the balances and transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	2024 HK$'000	2023 HK$'000
Controlling shareholder and its affiliates:		
Interest expenses#	25,948	2,678
Sales of goods	202,348	—
Purchases of goods	79,400	—
Sales of machinery and equipment	659,510	—
A related company:		
Lease payments*	—	1,800
Subsidiaries of joint ventures:		
Sales of goods	42,547	10,618
Interest expenses#	14,687	10,978
Purchase of goods	—	16,812

\# Interest expense was related to loan advanced and other borrowings, details of the terms thereof are disclosed in notes 26 and 28 to the financial statements, respectively.

* The lease payments were charged by Orient Profit Investment Limited, a company controlled by a substantial shareholder of the Company, for the lease of staff quarters.

The above transactions were entered into based on terms mutually agreed between the relevant parties.

(b) Compensation of key management personnel of the Group

Remuneration for key management personnel of the Group, including directors' and chief executives' remuneration as disclosed in note 10 to the financial statements, is as follows:

	2024 HK$'000	2023 HK$'000
Short-term employee benefits	16,695	14,392
Post-employment benefits	72	90
Total compensation paid to key management personnel	16,767	14,482

39. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2024

Financial assets

	Financial assets at fair value through profit or loss — held for Trading HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Trade and bills receivables	—	1,618,694	1,618,694
Financial assets included in deposits, other receivables and other assets	—	839,761	839,761
Derivative financial instruments	6,146	—	6,146
Restricted cash	—	12,315	12,315
Cash and cash equivalents	—	122,808	122,808
Total	6,146	2,593,578	2,599,724

Financial liabilities

	Financial liabilities at amortised cost HK$'000
Trade and bills payables	503,116
Financial liabilities included in other payables and accruals	1,115,784
Interest-bearing bank and other borrowings	2,272,193
Lease liabilities	228,354
Total	4,119,447

39. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2023

Financial assets

	Financial assets at amortised cost HK$'000
Trade and bills receivables	1,616,207
Financial assets included in deposits, other receivables and other assets	158,808
Restricted cash	12,259
Pledged deposits	1,100
Cash and cash equivalents	131,233
Total	1,919,607

Financial liabilities

	Financial liabilities at fair value through profit or loss — held for trading HK$'000	Financial liabilities at amortised cost HK$'000	Total HK$'000
Trade and bills payables	—	518,638	518,638
Financial liabilities included in other payables and accruals	—	725,435	725,435
Derivative financial instruments	6,508	—	6,508
Interest-bearing bank and other borrowings	—	2,767,201	2,767,201
Lease liabilities	—	55,408	55,408
Total	6,508	4,066,682	4,073,190

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, pledged deposits, trade and bills receivables, the current portion of financial assets included in prepayments, deposits, other receivables and other assets, trade and bills payables, and the current portions of financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portions of financial assets included in prepayments, deposits, other receivables and other assets, financial liabilities included in other payables and accruals, and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. In the opinion of the directors, the fair values of the non-current portions of financial assets included in prepayments, deposits, other receivables and other assets, financial liabilities included in other payables and accruals, and interest-bearing bank and other borrowings approximate to their carrying amounts.

The Group enters into derivative financial instruments with creditworthy financial institutions. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing models, using present value calculations. The models incorporate various market observable inputs including the credit quality of the counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values.

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Derivative financial instruments	—	6,146	—	6,146

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2024.

Assets measured at fair value:

The Group did not have any financial assets measured at fair value as at 31 December 2023.

Liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Derivative financial instruments	—	6,508	—	6,508

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise cash and cash equivalents, and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, financial assets included in prepayments, deposits, other receivables and other assets, restricted cash, pledged deposits, trade and bills payables, and financial liabilities included in other payables and accruals, which mainly arise directly from its operations.

The Group also enters into derivative transactions, including forward currency contracts. The purpose is to manage the currency risk arising from the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees the policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group currently has an interest rate hedging policy that is to manage this mix in a cost-effective manner, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

At the end of the reporting period, if the interest rates on bank borrowings had been 25 basis points higher/lower, which was considered reasonably possible by management, with all other variables held constant, the loss before tax for the year would have been increased/decreased by HK$5,171,000 (2023: HK$6,162,000) as a result of higher/lower interest expenses on bank borrowings.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Foreign currency risk

The Group has transactional currency exposures. Such exposures mainly arise from sales or purchases by operating units in currencies other than the units' functional currency. The Group entered into forward currency contracts with certain financial institutions to reduce its exposure to foreign currency risk. These derivative financial instruments are not accounted for under hedge accounting. The Group continues to monitor foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the EUR and IDR exchange rates, with all other variables held constant, of the Group's loss before tax (arising from EUR and IDR denominated financial instruments).

2024

	Increase/(decrease) in exchange rate %	Decrease/(increase) in loss before tax HK$'000
If the Hong Kong dollar weakens against the EUR	**5**	**(2,337)**
If the Hong Kong dollar strengthens against the EUR	**(5)**	**2,337**
If the Hong Kong dollar weakens against the IDR	**5**	**(561)**
If the Hong Kong dollar strengthens against the IDR	**(5)**	**561**

2023

	Increase/(decrease) in exchange rate %	Decrease/(increase) in loss before tax HK$'000
If the Hong Kong dollar weakens against the EUR	5	(6,163)
If the Hong Kong dollar strengthens against the EUR	(5)	6,163
If the Hong Kong dollar weakens against the IDR	5	(389)
If the Hong Kong dollar strengthens against the IDR	(5)	389

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group mainly transacts with creditworthy third parties. Receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Trade receivables*	—	—	—	2,899,320	2,899,320
Bills receivable					
— Not yet past due	468	—	—	—	468
Contract assets included in prepayments, deposits, other receivables and other assets*	—	—	—	6,661	6,661
Financial assets included in prepayments, deposits, other receivables and other assets					
— Normal**	840,374	—	—	—	840,374
Restricted cash					
— Not yet past due	12,315	—	—	—	12,315
Cash and cash equivalents					
— Not yet past due	122,808	—	—	—	122,808
Total	975,965	—	—	2,905,981	3,881,946

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Trade receivables*	—	—	—	2,873,815	2,873,815
Bills receivable					
— Not yet past due	402	—	—	—	402
Contract assets included in prepayments, deposits, other receivables and other assets*	—	—	—	5,946	5,946
Financial assets included in prepayments, deposits, other receivables and other assets					
— Normal**	158,808	—	—	—	158,808
Restricted cash					
— Not yet past due	12,259	—	—	—	12,259
Pledged deposits					
— Not yet past due	1,100	—	—	—	1,100
Cash and cash equivalents					
— Not yet past due	131,233	—	—	—	131,233
Total	303,802	—	—	2,879,761	3,183,563

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix and probability of default is disclosed in notes 20 and 21 to the consolidated financial statements, respectively.

** The credit quality of the financial assets included in prepayments, deposits, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables is disclosed in note 20 to the consolidated financial statements.

At the end of the reporting period, the Group had certain concentrations of credit risk as 70% (2023: 67%) and 94% (2023: 93%) of the Group's trade and bills receivables were due from the Group's largest debtor and five largest debtors, respectively.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group monitors its risk to a shortage of funds by considering the maturities of both its financial liabilities and financial assets.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of senior notes, and bank and other borrowings. As disclosed in note 3.1, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its cash flow requirements in the next twelve months. The Group aims to maintain sufficient cash and cash equivalents to meet its liquidity requirements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

2024

	On demand/ less than 1 year HK$'000	1 to 5 years HK$'000	Total HK$'000
Trade and bills payables	503,116	–	503,116
Financial liabilities included in other payables and accruals	1,115,784	–	1,115,784
Interest-bearing bank and other borrowings	2,240,965	38,213	2,279,178
Lease liabilities	92,760	173,522	266,282
Total	3,952,625	211,735	4,164,360

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

2023

	On demand/ less than 1 year HK$'000	1 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Trade and bills payables	518,638	—	—	518,638
Financial liabilities included in other payables and accruals	725,435	—	—	725,435
Derivative financial instruments				
Forward currency contracts (gross settlement)				
— Outflow	177,164	—	—	177,164
— Inflow	(183,295)	—	—	(183,295)
Interest-bearing bank and other borrowings	2,790,010	54,477	—	2,844,487
Lease liabilities	15,132	22,905	35,364	73,401
Total	4,043,084	77,382	35,364	4,155,830

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to continue to provide returns for shareholders and benefits for other stakeholders.

The Group actively and regularly reviews and manages its capital structure and strives to maintain a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

Capital of the Group comprises all components of shareholders' equity.

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name	Place of incorporation/ registration/ operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company 2024	2023	Principal activities
Crest Pacific	British Virgin Islands/Hong Kong	US$1,076	100	100	Investment holding
VPower Engineering (China) Limited	Hong Kong	HK$10,000,000	100	100	Investment holding and trading of engines and components
VPower Technology Limited	Hong Kong	HK$400,000	100	100	Trading of engines and components, and sale and installation of power generation systems
VPower Holdings Limited	Hong Kong	HK$1,000,000	100	100	Investment holding, trading of engines and components, and sale and installation of power generation systems
偉能機電設備(深圳)有限公司*	PRC/Chinese Mainland	HK$70,000,000	100	100	Manufacturing of power generation systems
VPower Group Holdings Limited	Hong Kong	HK$10,000	100	100	Investment holding and provision of distributed power solutions
VPower Myanmar Limited	Hong Kong	HK$1	100	100	Provision of distributed power solutions
偉能新能源科技(臨沂)有限公司*	PRC/Chinese Mainland	US$5,000,000	100	100	Provision of distributed power solutions
VP Flexgen (Brazil) Spe Ltda.	Brazil	Brazilian Real ("BRL") 80,791,089	100	100	Provision of distributed power solutions
PT. VPower Operation Services	Indonesia	IDR11,268,119,871	100	100	Provision of distributed power solutions

* These subsidiaries are registered as wholly-foreign-owned enterprises under PRC law.

Except for Crest Pacific, the above subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 **HK$'000**	2023 HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	**328,895**	328,895
CURRENT ASSETS		
Prepayments	**8**	—
Amounts due from subsidiaries	**1,183,772**	1,065,629
Cash and cash equivalents	**99**	199
Total current assets	**1,183,879**	1,065,828
CURRENT LIABILITIES		
Other payables and accruals	**1,539**	3,374
Total current liabilities	**1,539**	3,374
NET CURRENT ASSETS	**1,182,340**	1,062,454
Net assets	**1,511,235**	1,391,349
EQUITY		
Share capital	**668,315**	668,315
Reserves *(note)*	**842,920**	723,034
Total equity	**1,511,235**	1,391,349

43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK$'000	Capital reserve HK$'000	Shares held under the share award scheme HK$'000 *(note 32)*	Retained profits/ (losses) HK$'000	Total HK$'000
At 1 January 2023	1,892,072	128,895	(36,698)	82,105	2,066,374
Loss and total comprehensive loss for the year	—	—	—	(2,540,879)	(2,540,879)
Issue of shares	1,211,876	—	—	—	1,211,876
Share issue expenses	(14,337)	—	—	—	(14,337)
At 31 December 2023	3,089,611	128,895	(36,698)	(2,458,774)	723,034
Profit and total comprehensive income for the year	—	—	—	119,886	119,886
At 31 December 2024	3,089,611	128,895	(36,698)	(2,338,888)	842,920

Capital reserve

The Company's capital reserve represents the excess of the net asset value of Crest Pacific acquired by the Company pursuant to the Reorganisation over the nominal value of the Company's shares issued in exchange therefor.

FIVE YEAR FINANCIAL SUMMARY

A SUMMARY OF RESULTS

	Year ended 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE	**1,520,482**	1,497,643	3,361,325	5,094,079	3,386,936
Cost of sales	**(1,229,207)**	(1,451,485)	(2,699,447)	(4,281,566)	(2,575,810)
Gross profit	**291,275**	46,158	661,878	812,513	811,126
Other income and gains, net	**153,062**	4,334	7,928	12,019	175,461
Selling and distribution expenses	**(11,624)**	(14,758)	(22,179)	(29,023)	(33,131)
Administrative expenses	**(268,460)**	(398,142)	(377,739)	(408,643)	(344,813)
Other expenses, net	**(44,298)**	(1,470,510)	(154,541)	(79,196)	(69,308)
Finance costs	**(341,539)**	(316,181)	(232,814)	(210,393)	(220,544)
Share of profits and losses of joint ventures	**16,129**	(705,903)	(198,732)	9,400	263,574
(LOSS)/PROFIT BEFORE TAX	**(205,455)**	(2,855,002)	(316,199)	106,677	582,365
Income tax (expense)/credit	**(27,115)**	957	35,489	(49,938)	(56,932)
(LOSS)/PROFIT FOR THE YEAR	**(232,570)**	(2,854,045)	(280,710)	56,739	525,433
Attributable to:					
Owners of the Company	**(233,080)**	(2,853,972)	(316,852)	45,689	516,294
Non-controlling interests	**510**	(73)	36,142	11,050	9,139
	(232,570)	(2,854,045)	(280,710)	56,739	525,433

ASSETS AND LIABILITIES

	As at 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**5,860,824**	6,235,627	8,911,328	10,349,317	9,131,061
TOTAL LIABILITIES	**(4,279,408)**	(4,352,117)	(5,771,271)	(6,816,870)	(5,649,573)
	1,581,416	1,883,510	3,140,057	3,532,447	3,481,488
EQUITY					
Equity attributable to owners of the Company	**1,580,926**	1,883,530	3,139,404	3,475,465	3,435,556
Non-controlling interests	**490**	(20)	653	56,982	45,932
	1,581,416	1,883,510	3,140,057	3,532,447	3,481,488

KEY FINANCIAL RATIOS

	As of and for the year ended 31 December				
	2024	2023	2022	2021	2020
Profitability ratios					
Return on equity(1)	**(13.4)%**	(113.6)%	(8.4)%	1.6%	16.6%
Return on total assets(2)	**(3.8)%**	(37.7)%	(2.9)%	0.6%	5.8%
Liquidity ratios					
Current ratio(3)	**1.0**	0.7	0.8	1.1	1.0
Quick ratio(4)	**0.9**	0.5	0.6	0.8	0.7
Liabilities to assets ratio(5)	**0.7**	0.7	0.6	0.7	0.6
Capital adequacy ratios					
Net gearing ratio(6)	**135.1%**	139.2%	88.0%	92.8%	60.5%
Interest coverage(7)	**0.4**	N/A	N/A	1.5	3.6
EBITDA interest coverage(8)	**0.8**	N/A	0.8	3.1	5.1

Notes:

(1) Return on equity is calculated based on profit/(loss) for the year divided by the arithmetic mean of the opening and closing balances of total equity in the relevant year and multiplied by 100%.

(2) Return on total assets is calculated based on profit/(loss) for the year divided by the arithmetic mean of the opening and closing balances of total assets in the relevant year and multiplied by 100%.

(3) Current ratio is calculated based on total current assets divided by total current liabilities.

(4) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.

(5) Liabilities to assets ratio is calculated based on total liabilities divided by total assets.

(6) Net gearing ratio is calculated based on the percentage of total borrowings less cash and cash equivalents, restricted cash and pledged deposits to total equity.

(7) Interest coverage is calculated by dividing profit/(loss) before tax and finance costs by finance costs.

(8) EBITDA interest coverage is calculated by dividing earnings before interest, tax, depreciation and amortisation by finance costs.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Gao Zhan *(Chairman)*
Mr. Lam Yee Chun
(Chief Executive Officer)
Mr. Lu Weijun
Mr. Jin Jiantang
(Chief Financial Officer)
Mr. Wang Jiachang

Non-executive Director

Mr. Wong Kwok Yiu

Independent Non-executive Directors

Mr. Suen Wai Yu
Dr. Wang Zheng
Dr. Lin Tun

BOARD COMMITTEES

Audit Committee

Dr. Wang Zheng *(Chairman)*
Mr. Suen Wai Yu
Dr. Lin Tun

Remuneration Committee

Dr. Wang Zheng *(Chairman)*
Mr. Suen Wai Yu
Dr. Lin Tun

Nomination Committee

Mr. Gao Zhan *(Chairman)*
Dr. Wang Zheng
Dr. Lin Tun

COMPANY SECRETARY

Ms. Wong Wai Man

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

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Cayman Islands

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STOCK CODE

1608