China Ruifeng Renewable Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00527)

2024 ANNUAL REPORT

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COMPANY INFORMATION

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 00527

EXECUTIVE DIRECTORS

Mr. Yuan Wanyong *(Chairman)*
Mr. Zhang Zhixiang *(Chief Executive Officer)*
Mr. Ning Zhongzhi

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qu Weidong
Ms. Hu Xiaolin
Mr. Jiang Senlin

AUDIT COMMITTEE

Mr. Jiang Senlin *(chairman of the Audit Committee)*
Mr. Qu Weidong
Ms. Hu Xiaolin

REMUNERATION COMMITTEE

Ms. Hu Xiaolin
(chairman of the Remuneration Committee)
Mr. Zhang Zhixiang
Mr. Qu Weidong
Mr. Jiang Senlin

NOMINATION COMMITTEE

Mr. Qu Weidong
(chairman of the Nomination Committee)
Mr. Zhang Zhixiang
Ms. Hu Xiaolin
Mr. Jiang Senlin

COMPANY SECRETARY

Ms. Wong Yuk Ki

AUTHORISED REPRESENTATIVES

Mr. Zhang Zhixiang
Ms. Wong Yuk Ki

PRINCIPAL BANKERS

In Hong Kong:

Bank of China (Hong Kong) Limited
China Minsheng Banking Corporation Limited
Hong Kong Branch
China Construction Bank (Asia) Corporation Limited
Chong Hing Bank Limited
Hang Seng Bank Limited

*In the People's Republic of China (the "**PRC**"):*

Bank of China Limited
Agricultural Development Bank of China
Industrial and Commercial Bank of China Limited
Bank of Chengde Company Limited
China Construction Bank Corporation
Bank of Hebei Company Limited

COMPANY INFORMATION

REGISTERED OFFICE

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2801–2804, 28/F
Office Tower, Convention Plaza
1 Harbour Road, Wanchai
Hong Kong

COMPANY WEBSITE

www.c-ruifeng.com

AUDITORS

Linksfield CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Room 2001–02, 20/F., Podium Plaza
5 Hanoi Road
Tsim Sha Tsui
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR & TRANSFER OFFICE

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

CORPORATE PROFILE

As a renewable energy enterprise specialised in wind power operation, China Ruifeng Renewable Energy Holdings Limited (the "**Company**") together with its subsidiaries (collectively, the "**Group**") is principally engaged in the businesses of wind power generation. The Group has also been seeking development opportunities in the renewable energy sectors, with the aim to facilitate the development of, and complement with each other, the continuous enhancement of the Group's industrial structure and the establishment of a solid foundation, in order to reinforce the comprehensive development of its wind power operation.

Since 2013, through steady acquisition of additional ownership interest in Hebei Hongsong Renewable Energy Investment Co., Ltd. ("**Hongsong Renewable Energy**") (the second largest shareholder of Hebei Hongsong Wind Power Co., Ltd. ("**Hongsong**")), the Group's current indirect control in Hongsong is 86.55%.

Hongsong has an installed capacity of 398.4 megawatt ("**MW**"), and its maximum installable capacity is 596.4 MW.

Apart from Hongsong's wind farm, Baotou City Yinfeng Huili New Energy Investment Limited ("**Baotou Yinfeng**"), a subsidiary of the Group is principally engaged in the development of a wind farm that generates renewable energy in the Inner Mongolia Autonomous Region. The wind farms of Baotou Yinfeng have been developing since mid 2016 and the expected installable capacity of phase 1 of the wind farms (the "**Phase 1 Project**") operation is 49.8 MW. Phase 1 Project is still under construction which is expected to be completed in the coming years and would contribute to the Group's revenue from the operation of wind farms in the future.

The Group has expanded its business structure through the development of a grid side independent energy storage power station project by the Company's subsidiary, Hebei Ruifeng Yunlian Digital Company Limited* (河北瑞風雲聯數字新能源有限公司) ("**Hebei Ruifeng Yunlian Digital**"). The project is located at Chabei Management District of Zhangjiakou City of Hebei Province in the PRC. The project met grid connection conditions in December 2024 and is expected to generate revenue in 2025.

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of China Ruifeng Renewable Energy Holdings Limited, I hereby present to the shareholders of the Company (the “**Shareholders**”) the results of the Group for the year ended 31 December 2024 (the “**Reporting Period**”).

During the Reporting Period, the Group not only steadily advanced its core business of wind farm operations, but also strategically launched the development and operation of energy storage power stations. This strategic move aims to further enhance the Group’s industrial chain, effectively promote sustainable development, diversify revenue sources, strengthen risk resistance capabilities, and establish a solid foundation for comprehensive expansion in the field of renewable energy.

In 2024, the renewable energy industry finds itself amidst a complex landscape filled with challenges and opportunities. Facing the dynamic and evolving domestic market environment and the continuously shifting policy frameworks, the Group has always firmly adhered to its core strategy of “green development, innovation driven” in promoting the development and efficient utilisation of clean energy which achieved remarkable results.

Looking ahead to 2025, the Chinese government has given unprecedented high-level attention and comprehensive support to the development of renewable energy. The latest national policy has clearly set the goals of accelerating the high-quality development of renewable energy, and has implemented a series of specific measures. These policies not only open up a broader market for us, but also clearly indicate the direction of our future development.

The Group will closely align its focus on the national energy development strategy and the direction of power system reform, and further enhance its strategic presence in the energy storage sector while steadily completing traditional wind power projects. By establishing a diversified and synergistic renewable energy business structure, the Group aims to build a solid and extensive foundation for its long-term development. We will actively explore new application scenarios for energy storage projects with the goal of becoming a leading new energy enterprise, delivering continuous, stable and substantial returns to its Shareholders.

On behalf of the Board, I would like to express my gratitude to the Shareholders, investors, and business partners for their continuing care of and support to the Group. I would also like to thank the management team and all the staff for their contributions, enthusiasm and dedication to the development of the Group. The Group is committed to bringing better returns to the Shareholders and investors through sound and pragmatic development strategies.

Yuan Wanyong
Chairman

Hong Kong, 31 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Wind farm operations

For the year ended 31 December 2024, the revenue from the wind farm operations amounted to approximately RMB319,451,000 (2023: approximately RMB342,744,000), representing a decrease of approximately 7% from that of year ended 31 December 2023.

Hongsong's wind farm projects

The construction of the Phase 9 Project — The Yuanhui Project of Hongsong was completed in December 2013. Hongsong currently has an installed capacity of 398.4 MW, and its wind farm had a steady and stable operation in 2024 which made primarily contribution to the Group's revenue for the year ended 31 December 2024.

Baotou Yinfeng's wind farm projects

Baotou Yinfeng is a subsidiary of the Company, which possesses a wind farm in Baotou City of Inner Mongolia with the 49.8 MW of the Phase 1 Project. In October 2015, Baotou Yinfeng received the relevant project approval from Baotou City's government for its Phase 1 Project. Baotou Yinfeng's Phase 1 Project is currently under construction and is expected to contribute to the Group's future revenue from the operation of wind farm.

Development and operation of energy storage power station in the Chabei Management District (300 MW/1.2 gigawatt hours ("GWh")) — Grid side Independent Energy Storage Project

The 300MW/1.2GWh grid side independent energy storage power station project invested and constructed by the Company's subsidiary, Hebei Ruifeng Yunlian Digital is located at Chabei Management District of Zhangjiakou City of Hebei Province in the PRC. The project started construction in September 2024, met grid connection conditions in December 2024 and successfully achieved full capacity grid connection on 22 January 2025, with electricity market trading and capacity leasing as its main revenue models. After the project is connected to the grid, it can gather abundant local renewable energy resources and transport them to the load center for consumption, further increase the proportion of renewable energy consumption in the Beijing Tianjin Hebei region and effectively alleviate the problem of limited renewable energy consumption in the Bashang area and the northern Hebei region.

OPERATING ENVIRONMENT

In 2024, the global economy continues to evolve in a complex and ever-changing landscape. The Chinese economy, with its strong resilience and vitality, has maintained a steady growth trend. Facing the challenges of increasing external pressure and internal structural adjustment, China actively promotes various reform measures, and the overall economy is stable and progressing steadily, providing a solid macroeconomic foundation for the development of the renewable energy industry. In 2024, both the renewable energy sector and the wind power industry in China's power industry have shown strong growth momentum.

From the overall perspective of renewable energy, remarkable achievements have been made in terms of installed capacity and power generation. The newly installed capacity of renewable energy generation in China reached 373 million kilowatts, a year-on-year increase of 23%, accounting for 86% of the newly installed capacity of electricity. Focusing on the wind power industry, there has also been significant growth. In 2024, the newly installed wind power capacity in China reached 79.82 million kilowatts, a year-on-year increase of 6%, including 75.79 million kilowatts of onshore wind power and 4.04 million kilowatts of offshore wind power. As of December 2024, the cumulative grid connected capacity of wind power in China has reached 521 million kilowatts, a year-on-year increase of 18%, including 480 million kilowatts of onshore wind power and 41.27 million kilowatts of offshore wind power. In terms of power generation, the national wind power generation in 2024 is 991.6 billion kilowatt hours, a year-on-year increase of 16%, and the average utilization rate of wind power in China is 95.9%.

The Chinese government attaches great importance to the development of renewable energy and actively promotes the application and promotion of wind power and clean energy through the implementation of a series of policies and measures, providing tremendous opportunities for the development of the Group's wind farm business. The Chinese government's continued support for the wind power industry not only creates unique policy advantages for the Group's development, but also provides a favorable development environment. It is expected that the wind power industry will usher in a new development period, and the Group will seize this opportunity to achieve rapid business growth.

MAJOR RISKS AND UNCERTAINTIES

(1) Risks of wind turbine equipment utilisation hours fluctuation

The average number of utilisation hours of power generation equipment is influenced by the electricity supply and demand, and therefore fluctuate accordingly. The total wind power generated by the Company's Hongsong Wind Farm in Hebei Province for the years ended 31 December 2024 and 2023 were 718.43 GWh and 761.94 GWh, respectively. Should the economic growth rate slacken, there are risks in fluctuations of the average utilisation hours of the Company's wind turbine equipment in the future, and these will impact the Company's profitability.

(2) Risks of wind power pricing fluctuation

In December 2016, the National Development and Reform Commission of China (the "**NDRC**") issued the "Notice on Adjustments to Benchmark On-grid Tariffs for Photovoltaic Power and Onshore Wind Power" (《關於調整光伏發電陸上風電標杆上網電價的通知》) to promote healthy and orderly development of the photovoltaic ("**PV**") power and wind power industry and decided to adjust the new energy benchmark on-grid tariff policy pursuant to the "Renewable Energy Law (《可再生能源法》)". In May 2019, the NDRC issued the "Notice on Improving Wind Power On-Grid Tariff Policy" (《關於完善風電上網電價政策的通知》), requiring that all newly approved onshore wind power projects shall fully achieve grid parity from 1 January 2021 and will no longer be subsidised by the PRC government. In January 2020 and October 2020, the Ministry of Finance, the NDRC and the National Energy Administration of China issued the "Opinions on Promoting the Healthy Development of Non-hydro Renewable Energy Power Generation" (《關於促進非水可再生能源發電健康發展的若干意見》) and its Supplementary Circular (《關於<關於促進非水可再生能源發電健康發展的若干意見>有關事項的補充通知》), setting out the settlement rules for the additional subsidy funds for renewable energy electricity prices. Through technological advancement and market competition, efforts will be made to further significantly reduce the cost of wind power development, and gradually reduce its dependence on subsidies. It is anticipated that wind power prices will continue to fall, and this may have an impact on the Company's profitability.

(3) Risks arising from interest rate fluctuations

The Company's renewable energy business is capital intensive, and electricity project constructions are characterised as large-scale investments with lengthy return on investment periods. The Company has launched many new projects in recent years, and some of the investment capital other than those for special projects were mainly secured through loans and other methods. The Company's financial costs will be influenced by possible interest rate fluctuations arising from changes in macro-political and economic environment, both domestically and internationally, as well as from changes in China's economic policies.

FUTURE PROSPECTS

In 2024, China intensively introduced policies in the field of renewable energy, making efforts from multiple dimensions such as industrial planning, technological innovation, market cultivation, and infrastructure construction, providing comprehensive support for the development of the renewable energy industry. These policies have further optimised the industrial development environment, accelerated the transformation of technological achievements, expanded market space, enhanced the core competitiveness of the renewable energy industry, injected strong impetus into achieving carbon peak and carbon neutrality goals, and opened up broader development space for renewable energy enterprises including the Group.

Firmly implementing the new concept of green development, comprehensively promoting resource conservation and circular utilisation, continuously advancing the adjustment of industrial and energy structures, and vigorously developing renewable energy have become key strategic directions of the Chinese government. Currently, the Chinese government is accelerating the planning and construction of large-scale wind and PV base projects in Gobi and desert areas, which has opened up vast space for the subsequent development of the wind power industry. It is expected that in the future, as policies continue to be implemented, these projects will become key engines driving the leapfrog development of the wind power industry, bringing unprecedented development opportunities for enterprises that focus on renewable energy. As an indispensable part of the development of the renewable energy industry, energy storage is ushering in unprecedented opportunities for growth. Energy storage technology can effectively solve the intermittent and fluctuating problems of renewable energy generation, which is of great significance for improving energy utilization efficiency and ensuring stable energy supply.

Looking ahead to the future, the energy storage industry has broad prospects. With the continuous advancement of technology, the cost of energy storage will be further reduced, and the efficiency of energy storage will be greatly improved. We plan to deeply explore the potential of the energy storage power station in the Chabei Management District, improving the charging and discharging efficiency of the power station through technological innovation and refined operation, reducing operating costs, and developing the project as a benchmark in the industry. At the same time, we will actively expand our energy storage business based on the energy storage power station in the Chabei Management District. On the one hand, we will increase investment in energy storage technology research and development, collaborate with research institutions to explore renewable energy storage technologies such as solid-state battery energy storage and flow battery energy storage to enhance the Group's technological competitiveness in the field of energy storage. On the other hand, the Group will actively participate in the construction of more energy storage projects, including power side energy storage, to help wind farms and PV power stations achieve more stable power output; expand user side energy storage, provide energy optimisation solutions for industrial and commercial users, reduce electricity costs, promote deep adjustment of energy structure through the widespread application of energy storage technology, devote in building a smarter, more stable, and sustainable energy system.

The "14th Five Year Plan for the Development of Renewable Energy" jointly released by nine Chinese departments, including the National Development and Reform Commission and the National Energy Administration, clearly sets goals for the development and utilization of renewable energy. Under the strong guidance of the 14th Five Year Plan, China's wind and solar power generation has steadily developed, with offshore wind power, distributed and household PVs becoming industry highlights. The newly added grid connected installed capacity of wind power and PV power reached 75.9 million kilowatts and 217 million kilowatts respectively, ranking first in the world in terms of cumulative wind power installed capacity. Driven by the "dual carbon" goal, wind and solar power generation has fully entered the era of affordable grid connection, and its economic benefits are increasingly prominent. With continuous technological innovation and further cost reduction, wind and solar power generation is expected to occupy a more significant share in the energy market. The Group will closely grasp this trend and actively participate in the development and operation of related projects.

While strengthening the existing wind farm operation and maintenance business in Northern China, the Group will gradually expand the coverage of operation and maintenance business to surrounding areas and deepen interaction with other industry sectors. We will rely on advanced technology and management experience to improve the level and quality of operation and maintenance services, and provide customers with more high-quality and efficient solutions. In addition, the Group will actively explore cooperation models with other industries such as electricity, transportation, and construction to promote the widespread application and deep integration of renewable energy, for example, in the field of transportation, exploring cooperation with new energy vehicle companies to use green electricity generated by wind farms to charge electric vehicles; and in the field of architecture, participating in green building projects and providing clean power solutions for them.

The Group will continue to seek opportunities for cooperative development or acquisition, actively expanding into other new clean energy fields beyond wind power. We will establish strategic partnerships with high-quality enterprises inside and outside the industry, work together to develop renewable energy projects such as PVs and biomass energy, and build a diversified and complementary energy structure. Through cooperation, we can achieve the sharing of resources, technologies, and management experience, achieve mutual benefit and win-win situation, help to promote the sustainable development of the entire industry, and further solidify the Group's position in the renewable energy industry. By integrating business and resources, actively exploring opportunities for synergies between different businesses, expanding and strengthening business revenue and profitability, the Group is strived to become a highly competitive renewable energy supplier and comprehensive operation service provider, laying a more stable and broad foundation for long-term development.

We deeply understand that the success of a company cannot be achieved without the support and trust of the society. Therefore, the Group will always adhere to the business philosophy of integrity, innovation and collaboration, actively fulfilling social responsibilities, and creating more value for the society. We will work hand in hand with shareholders, investors, and all partners to promote the vigorous development of China's renewable energy industry and contribute to achieving global carbon neutrality goals.

FINANCIAL REVIEW

The Group is principally engaged in wind farm operations during the Reporting Period. Operating results for the years ended 31 December 2024 and 31 December 2023 are as follows:

	Year ended 31 December		Approximate change	Approximate change in percentage
	2024	2023		
	RMB'000	*RMB'000*	*RMB'000*	*%*
Revenue	**336,274**	343,811	7,537	2
Gross profit	**119,166**	125,962	6,796	5
Operating profit	**31,357**	72,098	40,741	57
Loss before income tax	**(100,960)**	(71,203)	29,757	42
Loss for the year	**(125,777)**	(94,773)	31,004	33
Attributable to:				
The owners of the Company	**(132,517)**	(108,955)	23,562	22
Non-controlling interests	**6,740**	14,182	7,442	52
Loss for the year	**(125,777)**	(94,773)	31,004	33

		Year ended 31 December	
	Notes	**2024**	2023
Net debt *(RMB'000)*	*1*	**(1,832,018)**	(1,134,023)
Net assets *(RMB'000)*	*2*	**86,669**	211,988
Liquidity ratio	*3*	**77%**	222%
Trade receivables turnover (number of days)	*4*	**246**	177
Trade payables turnover (number of days)	*5*	**39**	34
Earning interest multiple	*6*	**0.24**	0.5
Net debt to capital ratio	*7*	**2,114%**	535%

Notes:

1. Cash at bank and on hand – Borrowings

2. Total assets – Total liabilities

3. Current assets/Current liabilities x 100%

4. Average trade receivables/Revenue x 365 days

5. Average trade payables/Cost of sales x 365 days

6. Profit before interest and taxation/Finance cost

7. Net debt/Equity x 100%

Revenue

During the Reporting Period, the Group's revenue was derived from the business of wind power generation, sales of mechanical and electrical equipment, sales of petroleum coke and provision of construction services. The Group's operating bases for the business of wind power generation are mainly located in Chengde City of Hebei Province and Inner Mongolia, the PRC.

Revenue for the year ended 31 December 2024 was approximately RMB336,274,000 representing a decrease of approximately 2% compared to approximately RMB343,811,000 for the year ended 31 December 2023.

Analysis of the Group's revenue for the years ended 31 December 2024 and 31 December 2023 are set out below:

	2024 *RMB'000*	2023 *RMB'000*	**Approximate change** *RMB'000*	**Approximate change in percentage** %
Sales of electricity	**234,020**	251,163	17,143	7
Tariff adjustment	**85,431**	91,581	6,150	7
Sales of mechanical and electrical equipment	**4,937**	1,067	3,870	363
Sales of petroleum coke	**3,708**	—	3,708	N/A
Construction services	**8,178**	—	8,178	N/A
Total	**336,274**	343,811	7,537	2

Cost of Sales

Cost of sales mainly includes the cost of raw materials, staff costs, depreciation, repair and maintenance cost, water, electricity, gas, and other ancillary materials. Cost of sales for the year ended 31 December 2024 accounted for approximately RMB217,108,000 (2023: approximately RMB217,849,000), which represented approximately 65% of the Group's revenue (2023: approximately 63%).

Gross Profit

Gross profit was approximately RMB119,166,000 for the year ended 31 December 2024 (2023: approximately RMB125,962,000) which was primarily derived from the operation of the Group's business of wind power generation. The gross profit margin for the year ended 31 December 2024 was approximately 35%, as compared to approximately 37% for the year 31 December 2023.

Other Income and Other Gains, net

Other income and other gains, net for the year ended 31 December 2024 were mainly comprised of (i) refund of value-added tax from the PRC government amounted to approximately RMB14,213,000 (2023: approximately RMB20,005,000); (ii) rental income from operating leases amounted to approximately RMB3,119,000 (2023: approximately RMB2,509,000); (iii) waiver of interest payables of Corporate Bonds and other loans amounted to approximately RMB46,000 (2023: RMB4,803,000) and (iv) gain on disposals of subsidiaries amounted to RMB4,031,000 (2023: Nil).

Administrative Expenses

Administrative expenses mainly included salaries and welfare expenses, professional fees, rental expenses, depreciation expenses, office expenses and other taxation expenses. It increased by approximately 31% to approximately RMB86,136,000 for the year ended 31 December 2024 as compared with that of approximately RMB65,916,000 for the year ended 31 December 2023.

Provision for Expected Credit Losses on Other Receivables

Provision for expected credit losses on other receivables amounted to approximately RMB28,681,000 were recognised for the year ended 31 December 2024 (2023: approximately RMB24,872,000). The Group performs impairment assessment under expected credit loss model on other receivables individually. Based on the assessment, the recoverability of certain other receivables was remote and provision of expected credit losses was recognised.

Loan Receivables

References are made to the announcements of the Company dated 29 November 2021 and 10 December 2021 (the "**Financial Assistance Announcements**") in relation to, among other things, the provision of financial assistance. Unless otherwise defined, capitalised terms used in this section shall have the same meanings as defined in the Financial Assistance Announcements.

As at 31 December 2024, the details of the material loan receivables and their key terms are as follows:

Identity	As at 31 December 2024 *(RMB'000)*	Provision for loss allowance as at 1 January 2024 *(RMB'000)*	Change in the allowance recognised during the Reporting Period *(RMB'000)*	Amount written-off for the year ended 31 December 2024 *(RMB'000)*	Exchange realignment *(RMB'000)*	Provision for loss allowance as at 31 December 2024 *(RMB'000)*	Date of entering into transaction	Principal *(RMB'000)*	Interest rate (p.a.)	Repayment period	Securities/ guarantee/ collateral
Debtor A	41,986	11,142	892	–	–	12,034	Between 31 December 2017 to 6 January 2020	73,466	6%–7%	By 9 July 2021	Share charge and guaranteed by business partner of borrower
Debtor C	70,509	13,719	6,490	–	–	20,209	Between 28 September 2018 to 17 January 2020	89,708	6%–7%	By 9 July 2021	Share charge and guaranteed by business partner of borrower
承德利保建築工程有限公司 ("**Chengde Libao**")	24,800	24,800	–	–	–	24,800	3 March 2016	25,000	5.70%	31 May 2018	Nil
Others	65,009	16,981	7,202	–	40	24,223					
	202,304	66,642	14,584	–	40	81,266					

Debtor A

Debtor A is a company incorporated in the PRC with limited liability, which is primarily engaged in investment holding and management. The projects in which Debtor A are involved include comprehensive tourism development spanning hotels, leisure and cultural attractions.

Through Debtor A, the Group would be able to gain access to business network and opportunities in the tourism sector, within which the Group sees potential for expansion, e.g. by conducting tourism activities related to or at its wind farms. The Group considers that such cooperations with tourism companies could generate an additional source of revenue from its existing wind farm assets at a relatively low cost, as well as boost the Group's reputation within the general public and help promote renewable energies. In particular, Debtor A is involved in two tourism development projects in Chengde city, Hebei province, the PRC, where some of the Group's wind farms are located in. The Group saw similar networking opportunities with Debtor A, as it is involved in tourism development. The Company therefore considered potential cooperation with Debtor A would be beneficial.

Debtor C

Debtor C is a company incorporated in the PRC with limited liability, which is primarily engaged in technology development and services. Debtor C is experienced in providing energy management and conservation services in Chengde city, Hebei province, the PRC. As one of the Group's wind farms is located in Chengde city, the Group saw potential in business cooperation with Debtor C by combining the renewable energy generation resources of the Group with Debtor C's network of energy-conscious customers and its energy management and conservation experience.

Chengde Libao

Chengde Libao is a company incorporated in the PRC with limited liability which is primarily engaged in construction. In prior years, the Group was engaged in power grid construction operation. In order to enhance its construction capacities, the Group intended to invest in Chengde Libao and therefore loan facility was provided by a PRC subsidiary of the Group to Chengde Libao for business development.

Taking into account the potential business development and network benefits of a good business relationship between the Group and the respective debtors as detailed above, as well as the interest income which may be generated, the Directors consider that the terms reached were fair and reasonable and that the provision of the financial assistance to each of Debtor A, Debtor C and Chengde Libao was in the interests of the Company and its Shareholders as a whole. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Debtor A, Debtor C and Chengde Libao is not connected person(s) of the Company and its subsidiaries and is a third party independent of the Company and connected persons of the Company.

Other Receivables

As at 31 December 2024, details of the material other receivables and their key terms are as follows:

Identity	As at 31 December 2024 (RMB'000)	Provision for loss allowance as at 1 January 2024 (RMB'000)	Change in the allowance recognised during the Reporting Period (RMB'000)	Amount written-off for the year ended 31 December 2024 (RMB'000)	Exchange realignment (RMB'000)	Disposal of subsidiaries (RMB'000)	Provision for loss allowance as at 31 December 2024 (RMB'000)	Nature	Date of entering into transaction
Debtor A	3,345	559	400	—	—	—	959	Loan interest receivable	Refer to loan receivables above
Debtor C	4,323	710	529	—	—	—	1,239	Loan interest receivable	Refer to loan receivables above
Chengde Libao	15,767	14,349	1,418	—	—	—	15,767	Loan interest receivable	Refer to loan receivables above
河北北辰電網建設股份有限公司 ("**Beichen Electricity**")	78,961	25,741	6,652	—	—	—	32,393	Deposit	1 January 2018
Suzlon Energy (Tianjin) Limited ("**Suzlon**")	119,258	117,718	—	—	1,540	—	119,258	Consideration for equipment and deposit	Between 17 December 2015 to 13 April 2018
Others	189,483	42,350	5,098	—	37	(1)	47,484		
	411,137	201,427	14,097	—	1,577	(1)	217,100		

Beichen Electricity

Beichen Electricity is a company incorporated in the PRC with limited liability, which is primarily engaged in power grid construction. The Group entered into a framework agreement for the cooperation in the development of wind power, photovoltaic and tourism projects with Beichen Electricity in 2018.

Pursuant to such framework agreement, the Group as an investor is responsible for funding the projects while Beichen Electricity is responsible for the preliminary work involving the utilisation of its own human resources, assessment work concerning the project area and marketing and planning. Therefore, the Group paid an initial deposit to support the projects. Nonetheless, due to the non-approval of the projects by the local government of the PRC, the projects could not proceed. During the Reporting Period, the Group informed Beichen Electricity in writing to cease future co-operation with Beichen Electricity due to the Group's latest development plan and to demand Beichen Electricity for full repayment of the deposit.

Suzlon

Reference is made to (i) the announcements of the Company dated 13 April 2018 and 3 May 2018 in relation to the purchase agreements of certain machinery and equipment (the "**Equipment**") for the construction project of a wind farm in the PRC entered into between Baotou Yinfeng and one of the suppliers, Suzlon; and (ii) the announcement dated 17 December 2015 in relation to the Company entered into the memorandum of understanding with a vendor, a company indirectly holding 75% equity interest in Suzlon, in connection with a possible acquisition of the abovementioned equity interest in Suzlon with a refundable deposit of US$6,500,000 (equivalent to approximately RMB42,100,000) paid by the Group to the vendor (the "**Deposit**") which the Deposit was subsequently transferred by the vendor to Suzlon in November 2018.

The Group has paid approximately RMB132,000,000 to Suzlon in previous years as consideration of the Equipment and Deposit. Suzlon was subsequently in financial difficulties and its production was suspended, thus Suzlon was unable to deliver the Equipment to Baotou Yinfeng. Suzlon has not discharged its repayment obligation on the Deposit. The Group has continuously demanded repayment from Suzlon on the Equipment and Deposit but in vain. Baotou Yinfeng commenced legal proceedings in the PRC against Suzlon for partial consideration paid. The PRC court has ruled that Suzlon should return a sum of approximately RMB36,000,000 to Baotou Yinfeng for the failure to deliver the Equipment in 2020. As at 31 December 2020, other receivables due from Suzlon amounted to approximately RMB78,423,000. As at 31 December 2021, based on the company and legal searches conducted by the Group's external legal advisers and their legal opinion, recovery efforts including the legal action taken by the Group and the demand for repayment made by the Group, the management is of the view that any recovery of the carrying amounts of these other receivables due from Suzlon amounted to approximately RMB78,423,000 is minimal. As a result, as at 31 December 2021, the carrying amounts of these other receivables were written down to RMBNil on the consolidated statement of financial position such that the expected credit losses on these other receivables of approximately RMB78,423,000 were recognised in the consolidated statement of profit or loss for the year ended 31 December 2021.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Beichen Electricity and Suzlon is not connected person(s) of the Company and its subsidiaries and is a third party independent of the Company and connected persons of the Company.

Impairment Assessment of Loan Receivables and Other Receivables

Reference is made to section "Financial and Capital Risk Management" in notes to the consolidated financial statements in this report for the basis of impairment assessment.

As at 31 December 2024, Beichen Electricity is classified as "Stage 2" as the balance is past due which indicated increase in credit risk. As the Group cannot obtain the financial statements of Beichen Electricity so as to assess its current financial position and recoverability, provision of ECL amounted to approximately RMB6,652,000 was recognised for the year ended 31 December 2024 on the receivables due from Beichen Electricity. Debtor A and Debtor C are classified in "Stage 2" as the balances are past due which indicated increase in credit risk. As settlement plans have been obtained from Debtor A and Debtor C, services have been rendered by Debtor A during the Reporting Period and subsequent settlements have been received from Debtor C, such balances are not yet deemed to be credit-impaired. Provision of ECL amounted to approximately RMB1,292,000 and RMB7,019,000 were recognised for the receivables due from Debtor A and Debtor C, respectively. Chengde Libao and Suzlon are classified in "Stage 3" as the balances are credit impaired due to default of payments in prior years and there were evidence indicating that the counterparties were in financial difficulties.

Action Plan for Loan Receivables and Other Receivables

The Group will use its best endeavours to continue taking active measures to control and monitor the conditions of each of the loan receivables and other receivables and will actively seek actions for recovery of such receivables to safeguard the Group's assets, including but not limited to taking legal actions to recover the overdue balances. The Company's PRC legal representative has issued demand letters to Debtor A, Debtor C and Beichen Electricity demanding the settlement of all outstanding balances and will continue to closely monitor the repayment progress and seek PRC legal advice for further actions when necessary.

Finance Costs

Finance costs mainly referred to the interest expenses of the Group's borrowings including bank loans and other loans and Corporate Bonds, Notes, New Convertible Bonds issued by the Company amounted to approximately RMB132,318,000 for the year ended 31 December 2024 (2023: approximately RMB142,755,000). The slight decrease was mainly due to reduction in interest rates of other loans incurred during the Reporting Period.

Taxation

Taxation expenses increased to approximately RMB24,817,000 for the year ended 31 December 2024 (2023: approximately RMB23,570,000). Such increase was mainly derived from the slight increase in taxable profits of Hongsong during the Reporting Period.

Loss for the Year

Loss for the year ended 31 December 2024 was approximately RMB125,777,000 (2023: approximately RMB94,773,000). The increase in loss for the year was mainly due to the decrease in sales of electricity and tariff adjustment by 7% amounted to approximately RMB23,293,000 and increase in administrative expenses by 31% amounted to approximately RMB20,220,000.

Loss attributable to the owners of the Company was approximately RMB132,517,000 (2023: approximately RMB108,955,000).

Net Current Liabilities

Net current liabilities as at 31 December 2024 were approximately RMB252,551,000 (2023: net current assets of approximately RMB499,457,000). Existence of net current liabilities position as at 31 December 2024 was mainly due to (i) the New Convertible Bonds amounted to approximately RMB397,011,000 were classified as current liabilities with the maturity date in April 2025 and (ii) part of the new bank loan drawdown during the Reporting Period of approximately RMB132,760,000 were due within one year and were classified as current liabilities.

Liquidity and Financing

The cash and bank balances as at 31 December 2024 and 31 December 2023 amounted to approximately RMB244,609,000 (mainly denominated in RMB and Hong Kong dollar ("**HK$**") which is comprised of approximately RMB243,336,000 and HK$1,360,000, respectively), and approximately RMB385,512,000 (mainly denominated in RMB and HK$ which is comprised of approximately RMB358,187,000 and HK$30,072,000, respectively) respectively.

Total borrowings as at 31 December 2024 amounted to approximately RMB2,076,627,000, representing an increase by approximately RMB557,092,000 when compared with approximately RMB1,519,535,000 as at 31 December 2023.

The Group repaid its debts mainly through the steady recurrent cash-flows generated by its operations and by other external financing. The Group's gearing ratio increased to approximately 97% as at 31 December 2024 from approximately 89% as at 31 December 2023. The ratio was calculated by dividing the Group's total liabilities by its total assets. During the year ended 31 December 2024, all of the Group's borrowings were settled in RMB and HK$ and all of the Group's income was denominated in RMB. Interest-bearing borrowings were approximately RMB2,076,627,000 as at 31 December 2024. Among the interest-bearing borrowings of the Group, approximately RMB541,834,000 were fixed-rate loans, while approximately RMB1,534,793,000 were variable rate loans. The Group had not engaged in any currency hedging facility for the year ended 31 December 2024 and up to the date of this report, as the Board considered that the cost of any hedging facility would be higher than the potential risk of the costs incurred from currency fluctuations and interest rate fluctuations in individual transactions.

Issuance of Corporate Bonds

During the year ended 31 December 2024, the Company issued additional corporate bonds with principal amount of RMB5,000,000 (the "**Corporate Bonds**") to an investor. Corporate Bonds with principal amount of HK$16,420,000 were matured and redeemed during the year ended 31 December 2024 (for the year ended 31 December 2023: the Company issued additional Corporate Bonds with principal amount of HK$3,000,000; and Corporate Bonds with principal amount of HK$37,895,000 were matured and redeemed).

As at 31 December 2024, the principal amount of approximately HK$99,996,000 and RMB5,000,000 of the Corporate Bonds had been issued and had not been repaid (2023: HK$116,416,000 had been issued and had not been repaid). For more details, please refer to the announcements of the Company dated 10 July 2014 and 28 April 2015.

Notes (previously known as Convertible Notes)

On 26 May 2016, the Company entered into a placing agreement with Get Nice Securities Limited (the "**Placing Agent**") pursuant to which the Placing Agent has conditionally agreed to procure the placee(s) on a best effort basis during the placing period to subscribe for the convertible notes to be issued by the Company of up to an aggregate principal amount of HK$171,600,000 due 2017, with the conversion rights to convert the outstanding principal amount of the convertible notes into ordinary shares of the Company at an initial conversion price of HK$0.65 per conversion share (the "**Convertible Notes**").

The mechanism to convert the outstanding principal amount of the Convertible Notes was removed on 12 February 2020. Convertible Notes have since then been reclassified as notes (the "**Notes**").

During the year ended 31 December 2023, the Notes with principal amount of HK$64,751,000 has been repaid.

As at 31 December 2023, all outstanding principal amount of the Notes had been repaid.

Further details are set out in the announcements of the Company dated 26 May 2016, 15 June 2016, 12 December 2017, 19 December 2017, 22 August 2019, 23 August 2019, 10 February 2020 and 12 February 2020.

Issuance of New Convertible Bonds

On 31 December 2018, the Company, Filled Converge Limited ("**Filled Converge**") and Well Foundation Company Limited ("**Well Foundation**") entered into a subscription agreement (the "**Subscription Agreement**"), pursuant to which the Company conditionally agreed to issue and (i) Filled Converge conditionally agreed to subscribe for the convertible bonds (the "**Convertible Bonds**") in the principal amount of HK$294,183,000 and (ii) Well Foundation conditionally agreed to subscribe for the Convertible Bonds in the principal amount of HK$19,612,000. The Convertible Bonds are in the aggregate amount of HK$313,795,000 due in 2021 and extendable to 2022 at an interest rate of 8% per annum, with the conversion rights to convert the outstanding principal amount of the Convertible Bonds into the shares at an initial conversion price of HK$0.485 per conversion share.

On 28 January 2022, the Company entered into a subscription agreement (the "**New Subscription Agreement**") with one of the holders of the Convertible Bonds, Filled Converge, in respect of subscription of convertible bonds in the principal amount of HK$356,375,000 due 2025 (the "**New Convertible Bonds**"). Pursuant to the New Subscription Agreement, the Company conditionally agreed to issue and Filled Converge conditionally agreed to subscribe for the New Convertible Bonds in the principal amount of HK$356,375,000.

The principal amount of HK$294,183,000 and outstanding interests payable by the Company to Filled Converge under the Convertible Bonds were fully settled through the New Convertible Bonds issued by the Company to Filled Converge. The remaining amount of proceeds from the subscription of the New Convertible Bonds (i.e. approximately HK$4,000) were used to partially settle the professional fees incurred by the Company. The New Convertible Bonds will be due in 2025 at an interest rate of 10% per annum, with the conversion rights to convert the outstanding principal amount of the New Convertible Bonds into the Company's ordinary shares at an initial conversion price of HK$0.18 per conversion share.

Assuming full conversion of the New Convertible Bonds, a total of 1,979,861,111 new shares of the Company, being the conversion shares, would be allotted and issued, representing (i) approximately 100.04% of the issued share capital of the Company as at the date of the New Subscription Agreement; and (ii) approximately 50.01% of the issued share capital of the Company as at the date of the New Subscription Agreement as enlarged by the allotment and issue of the conversion shares upon full conversion of the New Convertible Bonds.

The issuance of the New Convertible Bonds was approved by the Shareholders at the extraordinary general meeting held on 19 April 2022 and approved by the Stock Exchange on 22 April 2022. The issuance of the New Convertible Bonds was completed on 28 April 2022.

None of the rights attached to the New Convertible Bonds have been exercised and no conversion shares have been allotted or issued from the conversion of the New Convertible Bonds during the year ended 31 December 2024.

Subsequent to the rights issue with effect from 22 August 2023, the number of shares to be allotted and issued upon exercise of all the conversion rights under the New Convertible Bonds are adjusted to 494,278,779 new shares, at the conversion price of HK$0.721 per conversion share.

Further details of the issuance of the New Convertible Bonds are set out in the announcements of the Company dated 28 January 2022, 11 March 2022, 17 March 2022, 19 April 2022, 20 April 2022, 28 April 2022 and 21 August 2023 and the circular of the Company dated 29 March 2022.

Capital Reorganisation

Rights Issue

On 12 May 2023, the Company proposed to implement the issue by way of rights (the "**Rights Issue**") of up to 1,277,353,730 Shares (the "**Rights Share(s)**") on the basis of five (5) Rights Shares for every two (2) Consolidated Shares held on the record date at the subscription price of HK$0.18 per Rights Share, to raise gross proceeds of approximately HK$229.9 million before expenses (assuming no change in the number of Shares in issue on or before the record date other than the exercise of all outstanding Share Options).

The Rights Issue became effective on 22 August 2023. 1,187,403,730 Rights Shares with par value of HK$0.05 each were allotted and issued. The net proceeds from the Rights Issue after deducting the expenses were approximately HK$211.0 million. Further details of the Rights Issues were set out in the announcements of the Company dated 12 May 2023, 4 July 2023, 7 August 2023 and 21 August 2023, the circular of the Company dated 14 June 2023 and the prospectus of the Company dated 19 July 2023.

The intended and actual use of the net proceeds from the Rights Issue is stated as below:

	Intended use of the net proceeds *(HK$ million)*	**Actual use of the net proceeds up to 31 December 2024** *(HK$ million)*	**Unutilised net proceeds up to 31 December 2024** *(HK$ million)*
Repayment of the Corporate Bonds	92.0	48.1	43.9
Repayment of the Notes	70.0	70.0	—
Future business development	27.8	27.8	—
General working capital	21.2	21.2	—
Total	211.0	167.1	43.9

Capital Raising

Save as disclosed in this report, the Group did not have other capital raising activity during the year ended 31 December 2024.

Share Option Scheme

On 29 January 2021, 179,900,000 share options were granted by the Company at the exercise price of HK$0.18 per share. Subsequent to the rights issue with effect from 22 August 2023, the number of shares to be issued upon exercise of the outstanding share options was adjusted to 59,295,040 shares at the exercise price of HK$0.546 per share.

Further details are set out in the announcements of the Company dated 29 January 2021 and 21 August 2023.

Proposed Subscription of New Shares and Convertible Bonds of the Company under Specific Mandates and Possible Acquisition

Reference is made to the announcements of the Company (i) dated 21 June 2024 (the "**2024 June Announcement**") in relation to, among other things, Share Subscriptions (as defined in the 2024 June Announcement), CB Subscriptions (as defined in the 2024 June Announcement) and the Possible Acquisition (as defined below); and (ii) dated 2 January 2025 (the "**First Extension Announcement**") in relation to, among other things, (1) extension of the long stop dates of the Share Subscription Agreements (as defined in the 2024 June Announcement) and the CB Subscription Agreements (as defined in the 2024 June Announcement); and (2) extension of the termination date of the Equity Transfer Framework Agreement (as defined in the 2024 June Announcement).

Pursuant to two agreements dated 26 January 2024, supplemented by supplemental agreements dated 21 June 2024 and 31 December 2024, entered into between the Company and Hebei Provincial Expressway Development Co., Ltd.* (河北高速公路開發(集團)有限公司) ("**Subscriber A Holdco**"), Subscriber A Holdco has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 590,615,905 new shares ("**Share Subscription A**") and the 2024 RMB Convertible Bonds (as defined in the 2024 June Announcement) in a principal amount of RMB933,689,137 ("**CB Subscription A**") for a consideration of RMB106,310,863 (equivalent to approximately HK$115.8 million) and RMB933,689,137 (equivalent to approximately HK$1,016.7 million), respectively, under Specific Mandate A (as defined in the 2024 June Announcement).

Pursuant to an agreement dated 21 June 2024 ("**Subscription Agreement B**"), supplemented by a supplemental agreement dated 31 December 2024, entered into between the Company and Atlantis New Hong Kong Equity Fund Limited ("**Subscriber B**"), Subscriber B has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 119,437,859 new shares and the 2024 HKD Convertible Bonds (as defined in the 2024 June Announcement) in a principal amount of HK$161,701,291, for a consideration of HK$23,409,820 and HK$161,701,291, respectively, under Specific Mandate B (as defined in the 2024 June Announcement) ("**Subscription B**").

Pursuant to an agreement dated 21 June 2024 ("**CB Subscription Agreement C**"), supplemented by a supplemental agreement dated 31 December 2024, entered into between the Company and TradArt Flagship Investment SPC — Growth Engine Fund SP ("**Subscriber C**"), Subscriber C has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the 2024 HKD Convertible Bonds in a principal amount of HK$98,000,000, for a consideration of HK$98,000,000, under Specific Mandate C (as defined in the 2024 June Announcement) ("**CB Subscription C**").

On 26 January 2024, the Company, as the intended purchaser, entered into a non-legally binding equity transfer framework agreement (supplemented by supplemental agreements dated 21 June 2024 and 31 December 2024) with Hebei Province Jijiao Energy Co., Ltd* (河北省冀交能源有限公司) and Hebei Shengde Jichu Sheshi Jianshe Kaifa Co., Ltd* (河北晟德基礎設施建設開發有限公司) (the "**Vendors**"), as the intended vendors, pursuant to which the Vendors intended to sell and the Company or its wholly-owned subsidiary (the "**Purchaser**") intended to purchase, 50% equity interest in Hebei Jiaotou Deneng Energy Co. Ltd* (河北交投德能能源有限公司), at a proposed consideration of not more than RMB7.5 million (equivalent to approximately HK$8.2 million) to be payable in full in cash by the Purchaser (the "**Possible Acquisition**").

The Board believes that the Share Subscriptions and the CB Subscriptions will allow the Company to raise additional funds (i) to upgrade the Group's generators and related equipment and invest in new equipment and potential business opportunities; (ii) to repay the Group's borrowings and other payables; and (iii) to replenish the Group's working capital.

Share Subscription A, CB Subscription A and the Possible Acquisition are inter-conditional to each other and are subject to a number of conditions, which may or may not be fulfilled. For the avoidance of doubt, Subscription B and CB Subscription C are not inter-conditional to each other and are not conditional upon the completion of Share Subscription A, CB Subscription A and the Possible Acquisition. As at the date of this report, the above proposed and possible transactions have not yet been completed. For details of the above proposed and possible transactions, please refer to the 2024 June Announcement and the First Extension Announcement.

Capital Injection and Acquisition of Equity Interest

On 15 July 2024, the Company, Jiujia Renewable Energy Investment (Guangzhou) Company Limited* (九嘉新能源投資(廣州)有限公司) ("**Jiujia Renewable Energy**") and its shareholders, namely Zhuhai Hengqin Jiujia Project Management Enterprise (Limited Partnership)* (珠海橫琴九嘉項目管理企業(有限合夥)) ("**Zhuhai Hengqin Jiujia**") and Guangzhou Ruibo Longxin Industrial Company Limited* (廣州市瑞博龍新實業有限公司) ("**Guangzhou Ruibo Longxin**") entered into a capital injection agreement ("**Capital Injection Agreement**"). Pursuant to the Capital Injection Agreement, (i) the registered capital of Jiujia Renewable Energy was RMB1,000,000 and owned as to 95% by Zhuhai Hengqin Jiujia and 5% by Guangzhou Ruibo Longxin, respectively; (ii) Guangzhou Ruibo Longxin will transfer its 5% equity interest to Zhuhai Hengqin Jiujia at nil consideration; (iii) the registered capital of Jiujia Renewable Energy will be increased from RMB1,000,000 to RMB10,000,000 of which the Company owned as to 60% by capital injection of RMB6,000,000 and Zhuhai Hengqin Jiujia owned as to 40% by capital injection of RMB4,000,000; and (iv) the Company and Zhuhai Hengqin Jiujia shall inject additional capital in the amount of RMB49,200,000 and RMB32,800,000 respectively, as capital reserve of Jiujia Renewable Energy.

Jiujia Renewable Energy owned 100% equity interest of Hebei Ruifeng Yunlian Digital with its registered capital of RMB50,000,000 and paid-up capital of RMB30,000,000. The registered capital of Hebei Ruifeng Yunlian Digital will be increased from RMB50,000,000 to RMB100,000,000 pursuant to the Capital Injection Agreement.

The additional capital injected by the Company and Zhuhai Hengqin Jiujia shall be used solely for the purpose of developing Hebei Ruifeng Yunlian Digital's grid-side independent energy storage project in Chabei Management District of Zhangjiakou City of Hebei Province in the PRC, with a capacity of 300 MW/1.2 GWh.

Subsequent to the completion of the acquisition on 15 July 2024, the Group obtained control over Jiujia Renewable Energy and Hebei Ruifeng Yunlian Digital. Therefore, they became indirect non-wholly owned subsidiaries of the Company and their financial results has been consolidated into the financial statements of the Company for the year ended 31 December 2024.

Further details of the capital injection are set out in the announcements of the Company dated 15 July 2024 and 22 July 2024.

Material Acquisition and Disposal

Save as disclosed in this report, there were no material acquisition and disposal of subsidiaries and associated companies by the Group for the year ended 31 December 2024.

Sale and Leaseback Transactions

On 29 November 2019, Huaneng Tiancheng Financial Leasing Co., Ltd.* (華能天成融資租賃有限公司) (the "**Lessor**") and Hongsong, an indirectly non wholly-owned subsidiary of the Company (the "**Lessee**"), entered into a series of sale and leaseback agreements (the "**Sale and Leaseback Agreements**"), pursuant to which, among other things, the Lessor agreed to purchase from the Lessee certain wind power generators, ancillaries, buildings and land use rights (the "**Leased Assets**") of the operation of a wind farm in Chengde City, Hebei Province, the PRC, at an aggregate consideration of RMB1,800,000,000, which shall be leased back to the Lessee with lease periods range from 5 to 13 years as stipulated in each of the Sale and Leaseback Agreements. Upon expiry of the lease term of each of the Sale and Leaseback Agreements, the Lessee can purchase the Leased Assets at a consideration of RMB20,000. The total purchase consideration for the Leased Assets shall be RMB100,000 in aggregate. The total consideration of the Leased Assets of RMB1,800,000,000 represents a premium of approximately 9.5% over the appraised value of the Leased Assets of approximately RMB1,644,500,000 as at 31 October 2019 as appraised by an independent valuer.

During the lease periods of the Sale and Leaseback Agreements, the ownership of the Leased Assets will be vested in the Lessor. The Lessee shall have the right to possess and use the Leased Assets. In accordance with the requirements of HKFRSs, the sale and leaseback transactions shall be accounted for as a financing transaction and therefore would not give rise to any gain or loss, or reduction in value of the Leased Assets. The Sale and Leaseback Agreements was approved, confirmed and ratified at the extraordinary general meeting held on 13 January 2020. During the year ended 31 December 2024, nil has been paid by the Lessor. Up to the date of this report, an aggregate consideration of RMB1,400,000,000 has been received by the Lessee.

Further details are set out in the announcements of the Company dated 29 November 2019, 28 December 2020 and 24 November 2021, and the circular of the Company dated 24 December 2019.

Pledge of Assets

As at 31 December 2024, the Group has pledged certain property, plant and equipment and certain leasehold land included in right-of-use assets with a carrying value of approximately RMB568,990,000 (31 December 2023: approximately RMB640,129,000), trade and other receivables with a carrying value of approximately RMB271,022,000 (31 December 2023: approximately RMB222,797,000) and certain investment designated at fair value through other comprehensive income with carrying values of approximately RMB54,450,000 (31 December 2023: nil) as security for the borrowings obtained by the Group. As at 31 December 2024 and 31 December 2023, the issued share capital of certain subsidiaries of the Company were pledged for borrowings obtained by the Group.

Contingent Liabilities

As at 31 December 2024 and 31 December 2023, the Group had no material contingent liabilities.

Significant Events Occurred Since the end of the Reporting Period

Save as disclosed in this report, there were no significant events occurred since the end of the Reporting Period.

Employees

As at 31 December 2024, the Group had approximately 152 full-time employees (2023: approximately 136 employees) in Hong Kong and the PRC in respect of the Group's operations. For the year ended 31 December 2024, the relevant staff costs (including Directors' remuneration) were approximately RMB51,541,000 (2023: approximately RMB44,382,000). The Group's remuneration and bonus packages were given based on performance of employees in accordance with the general standards of the Group's salary policies.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

As at the date of this report, the Board comprises six Directors, among whom three are executive Directors and the remaining three are independent non-executive Directors.

EXECUTIVE DIRECTORS

Mr. Yuan Wanyong (袁萬永) ("Mr. Yuan"), aged 54, is the chairman (the "**Chairman**") of the Company and an executive Director. He was appointed as an executive Director on 8 June 2023.

Mr. Yuan graduated from Hebei University of Architecture with a bachelor's degree in the Department of Mechanical and Electrical Engineering. Mr. Yuan is a senior engineer and a member of the Communist Party of the PRC. Mr. Yuan started his own business after graduation and established a company in the PRC, namely Ever Bright Real Estate Group Company Limited ("**Ever Bright Real Estate**") (永昌地產集團有限公司). Mr. Yuan currently holds an 80% equity interest in Ever Bright Real Estate, which is a multinational company with its headquarter in the PRC. The principal businesses of its subsidiaries include property development, sports management, cultural tourism, trading and renewable energy. Mr. Yuan is currently the chairman, general manager and legal representative of Ever Bright Real Estate and is the director, legal representative and senior management of subsidiaries of Ever Bright Real Estate.

Reference is made to the announcement of the Company dated 8 June 2023 in relation to, among other things, the appointment of Mr. Yuan (the "**Appointment Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Appointment Announcement. On 6 June 2023 (after trading hours), the Assignors and Mr. Yuan as the second assignee entered into the Second Deed of Assignment, pursuant to which Mr. Yuan is entitled to acquire the 80% of the Assignors' respective rights and interests (including the Assets and the Assigned Interest) under the Assigned Contracts and the Debts pursuant to the Facility Agreement and the Security Documents if the Account Charge has become enforceable. The total consideration for such acquisition is HK$240 million which shall be paid in the manner set out in the Second Deed of Assignment.

Mr. Zhang Zhixiang (張志祥) ("Mr. Zhang"), aged 57, is the chief executive officer (the "**Chief Executive Officer**") of the Company and an executive Director. He is also an authorised representative of the Company, a member of each of the remuneration committee and nomination committee of the Company. He was appointed as an executive Director on 7 July 2010.

He graduated from the School of Taxation of the Central Institute of Finance (中央財政金融學院) (now known as the Central University of Finance and Economics (中央財經大學)) in 1991 and received a bachelor's degree in economics. He joined Hexigten Qi Langcheng Ruifeng Electric Development Co., Ltd, a former subsidiary of the Group, as the vice general manager in December 2005. He was appointed as a director and the chairman of the board of Hongsong in May 2013.

Mr. Zhang is a director of, and the sole beneficial owner of the share capital in, Diamond Era Holdings Limited ("**Diamond Era**"), a substantial shareholder of the Company interested in 216,206,900 shares, representing approximately 12.61% of the issued share capital of the Company as at 31 December 2024. Mr. Zhang is also the sole beneficial owner of the share capital in Filled Converge which holds the New Convertible Bonds issued by the Company in the principal amount of HK$356,375,000. Assuming the conversion right of the New Convertible Bonds were exercised in full, the total of 494,278,779 new shares will be issued to Filled Converge, representing approximately 28.83% of the total issued shares of the Company as at 31 December 2024.

Mr. Ning Zhongzhi (寧忠志) ("Mr. Ning"), aged 61, was appointed as an executive Director on 28 January 2013.

Mr. Ning graduated from Huabei Electric Workers Intermediate Specialised College (華北電業職工中等專業學校) and Hebei Radio and TV University (河北廣播電視大學) in labour and remuneration in October 1984 and in human relation management in July 1988, respectively. Mr. Ning was qualified as a senior economist by the Senior Specialty and Technology Qualification Judging Committee of the State Power Corporation of China (國家電力公司高級專業技術資格評審委員會) in April 2001. Mr. Ning has long been working in the electricity power industry, being a key responsible staff of county-level power supply enterprise, and was the head of human resources department since March 2003. Mr. Ning was the director and chairman of Hongsong from May 2010 to May 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qu Weidong (屈衛東) ("Mr. Qu"), aged 58, is an independent non-executive Director, the chairman to the nomination committee of the Company and a member of each of the audit committee and remuneration committee of the Company. Mr. Qu was appointed as an independent non-executive Director on 11 December 2010.

Mr. Qu graduated from the Tsing Hua University (清華大學) in the PRC in 1990 with a bachelor's degree in engineering. He obtained a master's degree in international business at the University of Auckland in 1999. Mr. Qu is now the chairman of Beijing Eastern Forest JS Investment Limited (北京東霖鉅盛投資有限公司). Mr. Qu has over 22 years of in the field of investment, of which 8 years of experience in investment banking. He was a director and general manager of Beijing Zero2IPO Venture Investment Management Centre (北京清科創業投資管理中心). He was the investment director of Bluerun Investment Consulting (Beijing) Co., Ltd. from June 2007 to September 2010, and Capinfo Company Limited (首都信息發展股份有限公司) from April 2005 to July 2007. He worked at the headquarters of the investment bank of China Galaxy Securities Co., Limited (中國銀河證券股份有限公司投資銀行總部) from March 2003 to July 2005.

Ms. Hu Xiaolin (胡曉琳) ("Ms. Hu"), aged 56, is an independent non-executive Director, the chairman to the remuneration committee and a member of each of the audit committee and nomination committee of the Company. Ms. Hu was appointed as an independent non-executive Director on 9 May 2011.

Ms. Hu graduated from Northwest University (西北大學), the PRC, with a bachelor's degree in literature in July 1990. She obtained a master of literature from Capital Normal University (首都師範大學), the PRC in July 1995. Ms. Hu worked in the news commentary department and sports centre of Beijing Television (北京電視台) from 1995 to 2005. She had worked as a producer and a general director (總導演) of a section in Shanghai China Business Network Co. Ltd. (上海第一財經傳媒有限公司) from January 2005 to March 2008. She has been a director and a general manager of Shanghai Shile Yongdao Culture Communication Co., Ltd. (上海世樂永道文化傳播有限公司) since March 2008. Since February 2016, Ms. Hu is the president of Fortune Media Communication Co., Ltd. (財富視點傳媒有限責任公司).

Mr. Jiang Senlin (姜森林) ("Mr. Jiang"), aged 53, is an independent non-executive Director, the chairman to the audit committee of the Company and a member of each of the nomination committee and remuneration committee of the Company. Mr. Jiang was appointed as an independent non-executive Director on 31 January 2019.

Mr. Jiang, has been the vice-president and chief financial officer in Wonderland International Financial Holdings Limited (華德國際金融控股有限公司) since January 2018 and an executive director of Enviro Energy International Holdings Limited (stock code: 1102) since 28 June 2019. Mr Jiang is an independent non-executive director of Wan Kei Group Holdings Limited (stock code: 1718) since 7 September 2023. Mr. Jiang worked in Beijing Renge Technology Corp. Ltd (北京仁歌科技股份有限公司) (NEEQ Code: 837824, voluntarily delisted in December 2018) as vice general manager and chief financial officer from September 2015 to December 2017. He also worked as chief financial officer (Asia) in Morningstar, Inc. (NASDAQ: MORN) from August 2009 to September 2015. Mr. Jiang qualified as an accountant in the PRC in May 1998 and as an intermediate financial officer conferred by the Ministry of Personnel, the PRC in November 1997. Mr. Jiang completed his research program in Art and Culture (文藝學) at Sichuan University in July 2000 and obtained his bachelor's degree in accountancy at the Central Institute of Finance (中央財政金融學院) (now known as the Central University of Finance and Economics) in June 1993.

SENIOR MANAGEMENT

Mr. Wang Jian (王劍) ("Mr. Wang"), aged 56, is the director and general manager of Hongsong, responsible for the daily operation of Hongsong. Mr. Wang was graduated in 2004 from China Agricultural University (中國農業大學) majoring at economic management professional. He obtained senior operating qualification in 2005 and obtained advanced project management qualification in 2006. Mr. Wang joined Hongsong in 1999 and involved in the establishment of Hongsong. He was appointed as the director and general manager of Hongsong since 2001, and he has over 14 years working experience in wind farm operation and management.

Mr. Fan Guoliang (范國亮) ("Mr. Fan"), aged 44, is the secretary of the Board of Hongsong. He is mainly responsible for the Board and the administrative management of the Group. Mr. Fan was graduated from Hebei University of Science and Technology majoring Business Administration in 2005 and received a bachelor's degree in Management. He received a master's degree in economics from Central University of Finance and Economics in 2014. In March 2005, he joined Hongsong and served as the head of the secretary office of the Board, deputy director, directors of certain subsidiaries of the Group in the PRC, secretary of the board and deputy general manager.

COMPANY SECRETARY

Ms. Wong Yuk Ki (黃鈺琪) ("Ms. Wong"), has been appointed as Company secretary and authorised representative of the Company since 31 December 2019. Ms. Wong holds a bachelor degree of Business Administration in Professional Accountancy from The Chinese University of Hong Kong. Ms. Wong is a member of the Hong Kong Institute of Certified Public Accountants. She has over ten years of working experience in the auditing and accounting fields.

The Directors present this report and the audited consolidated financial statements for the year ended 31 December 2024 (the "**current year**").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and the principal activities of the Group are wind farm operations and energy storage power station operations. The activities of its principal subsidiaries are set out in note 15 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the current year and further discussion and analysis of the matters as required by Schedule 5 to the Companies Ordinance, Chapter 622, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, are set out in the section headed "Management Discussion and Analysis" of this report. Those discussions form part of this directors' report.

RESULTS AND APPROPRIATIONS

Details of the Group's results for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 87 to 88 of this report.

PROPOSED FINAL DIVIDEND

The Directors did not recommend the payment of dividends for the year ended 31 December 2024 (2023: Nil).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 192 of this report.

PROPERTY, PLANT AND EQUIPMENT

During the current year, the Group acquired property, plant and equipment in the amount of approximately RMB476,840,000 (2023: approximately RMB3,684,000). Details of movements in the property, plant and equipment of the Group during the current year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the current year are set out in note 27 to the consolidated financial statements.

DONATIONS

No charitable or other donations were made by the Group during the current year (2023: Nil).

RESERVES

Details of movements in the reserves of the Company during the current year are set out in note 37 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

Pursuant to the relevant rules of the Cayman Islands, the Company's reserves available for distribution to Shareholders as at 31 December 2024 amounted to approximately RMB Nil.

DIRECTORS

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

Executive Directors

Mr. Yuan Wanyong *(Chairman)*
Mr. Zhang Zhixiang *(Chief Executive Officer)*
Mr. Ning Zhongzhi

Independent non-executive Directors

Mr. Jiang Senlin
Mr. Qu Weidong
Ms. Hu Xiaolin

In accordance with Article 108(a) of the Articles of Association, Mr. Zhang Zhixiang, Mr. Qu Weidong and Ms. Hu Xiaolin shall retire by rotation at the forthcoming AGM. All the retiring Directors, being eligible, offer themselves for re-election at the AGM.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The details of the biographies of the existing Directors and senior management are set out in the section headed "Biographies of Directors and Senior Management" on page 26 to page 28 of this report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors, namely, Mr. Jiang Senlin, Mr. Qu Weidong and Ms. Hu Xiaolin, an annual confirmation of his or her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), and as at the date of this report, the Company still considers all the independent non-executive Directors to be independent.

FINANCIAL ASSISTANCE

The Company has provided financial assistance to independent third parties during the years ended 31 December 2023 and 2024. Details of the financial assistance provided by the Company are set out in the sections headed "Loan Receivables", "Other Receivables", "Impairment Assessment of Loan Receivables and Other Receivables" and "Action Plan for Loan Receivables and Other Receivables" on page 13 to page 17 of the management discussion and analysis and note 24 to the consolidated financial statements. Please refer to the announcements of the Company dated 29 November 2021 and 10 December 2021 for details.

DIRECTORS' SERVICE CONTRACTS OF THE RETIRING DIRECTORS

All the Directors have entered into service contracts with the Company, subject to the termination provisions therein and re-election at the general meeting upon retirement by rotation.

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors has or had interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Reporting Period.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as disclosed in note 33 to the consolidated financial statements, no transaction, arrangement and contract of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director has a material interest, where directly or indirectly, subsisted at the end of the year or at any time during the current year.

SHARE OPTION SCHEME

Share Option Scheme

Pursuant to an ordinary resolution passed by the Shareholders on 1 June 2015, a share option scheme (the "**Share Option Scheme**") was adopted by the Company to provide appropriate incentives or rewards to eligible persons for their contributions or potential contributions to the Group.

Share Option Scheme shall be valid for 10 years from 1 June 2015 and the particulars of the Share Option Scheme are set out in note 29(a) to the consolidated financial statements. As at 31 December 2024, 4,304,320 share options under the Share Option Scheme were outstanding (2023: 56,658,240 share options).

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Scheme as disclosed above, at no time during the current year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MATERIAL CONTRACTS

Save as disclosed in this report, no contract of significance has been entered into during the current year between the Company or any of its subsidiaries and the controlling shareholder (if any) or any of its subsidiaries.

DISCLOSURE OF INTEREST

(a) Interests of Directors and chief executive of the Company

As at 31 December 2024, save as disclosed below, none of the Directors or chief executive had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) ("**SFO**") which was 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 any such Directors or chief executives of the Company is taken or deemed to have under such provisions of the SFO) or which was required to be entered into the register required to be kept by the Company pursuant to section 352 of the SFO or which was 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**") as contained in Appendix C3 to the Listing Rules:

Long positions in shares and underlying shares of the Company

		Number of shares/underlying shares					Approximate percentage of shareholdings
Name of Director	Capacity	Beneficial Interests	Corporate Interests	Convertible Bonds	Share options *(Note 1)*	Total	*(Note 3)*
Zhang Zhixiang ("**Mr. Zhang**") *(Note 2)*	Beneficial owner/ Interest of controlled corporation	6,492,000	216,206,900	494,278,779	1,120	716,978,799	41.81%
Mr. Ning Zhongzhi	Beneficial owner	6,492,000	—	—	1,120	6,493,120	0.38%
Mr. Qu Weidong	Beneficial owner	1,713,920	—	—	—	1,713,920	0.10%
Ms. Hu Xiaolin	Beneficial owner	84,000	—	—	1,629,920	1,713,920	0.10%
Mr. Jiang Senlin	Beneficial owner	1,704,000	—	—	9,920	1,713,920	0.10%

Notes:

1. These shares were the shares which would be allotted and issued upon exercise in full of the share options granted to such Director under the share option scheme of the Company, details of which are provided in the section headed "Share Option Scheme" in this report.

2. Mr. Zhang is the beneficial owner of the entire issued shares of Diamond Era. As at 31 December 2024, Diamond Era was interested in 216,206,900 shares. Mr. Zhang is deemed, or taken to be, interested in the shares of the Company in which Diamond Era is interested for the purpose of the SFO.

   Filled Converge is wholly-owned by Mr. Zhang which holds the New Convertible Bonds issued by the Company in the principal amount of HK$356,375,000. Assuming the conversion right of the New Convertible Bonds were exercised in full, the total of 494,278,779 new shares will be issued to Filled Converge, representing approximately 28.83% of the total issued shares of the Company as at 31 December 2024.

Reference is made to the announcement of the Company dated 21 June 2024 ("**2024 June Announcement**"). Diamond Era charged 216,206,900 Shares in favour of Quam Finance Limited as a security of the Facility (as defined in the 2024 June Announcement) on 31 August 2020. Filled Converge charged its New Convertible Bonds and the conversion shares issuable in favour of Quam Finance Limited as security agent for the Facility (as defined in the 2024 June Announcement) on 10 October 2022.

Pursuant to the First Deed of Partial Assignment (as defined in the 2024 June Announcement) and Second Deed of Partial Assignment (as defined in the 2024 June Announcement), EBG Capital Holdings Limited ("**EBG**") and Mr. Yuan are equitably assigned 20% and 80% of the rights and interests under the Assigned Contracts (as defined in the 2024 June Announcement) and the Debts (as defined in the 2024 June Announcement), respectively, including, among other things, (i) 216,206,900 Shares owned by Diamond Era; and (ii) 20% and 80% of the New Convertible Bonds as a security to the indebtedness under the Facility Agreement (as defined in the 2024 June Announcement). As at 31 December 2024, EBG is wholly owned by Mr. Yuan. Accordingly, Mr. Yuan is interested in the Shares owned by Diamond Era.

Pursuant to the instrument to the 2022 Convertible Bonds, the 2022 Convertible Bonds cannot be transferred to any connected persons or direct competitors of the Company. Hence, any of the 2022 Convertible Bonds cannot be transferred to Mr. Yuan while he is a connected person. As at 31 December 2024, Filled Converge is the registered holder of the 2022 Convertible Bonds.

On 15 July 2024, Quam Finance Limited entered into the deed of release in favour of Mr. Zhang and Filled Converge, Diamond Era, pursuant to which Quam Finance Limited released and discharged the obligations in the Assigned Contracts and Debts) (as defined in the 2024 June Announcement).

On 3 January 2025, the Assignors (as defined in the 2024 June Announcement) entered into the deed of release in favour of Filled Converge and Mr. Yuan, pursuant to which all the obligations of Filled Converge and Mr. Yuan have been released and discharged.

3. Based on the total number of issued shares (i.e. 1,714,719,143 shares) of the Company as at 31 December 2024.

(b) Interests of substantial Shareholders and other persons

As at 31 December 2024, save as disclosed below, the Directors were not aware of any person (other than the Directors or chief executives of the Company) who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Number of Shares & Underlying Shares held/ interested	Nature of interest	Position	Approximate percentage of shareholdings *(Note 5)*
Atlantis Capital Group Holdings Limited *(Note 3)*	944,444,444	Interest of controlled corporation	Long	55.08%
Atlantis New Hong Kong Equity Fund Limited *(Note 3)*	944,444,444	Beneficial owner	Long	55.08%
Diamond Era *(Note 1)*	216,206,900	Beneficial owner	Long	12.61%
Filled Converge *(Note 2)*	494,278,779	Beneficial owner	Long	28.83%
Hebei Provincial Expressway Development Co., Ltd* *(Note 4)*	5,777,777,778	Beneficial owner	Long	336.95%
Hebei Transportation Investment Group Company Limited* *(Note 4)*	5,777,777,778	Interest of controlled corporation	Long	336.95%
Liu Yang *(Note 3)*	944,444,444	Interest of controlled corporation	Long	55.08%
Xu Yingjie	227,966,663	Beneficial owner	Long	13.29%

Notes:

1. As at 31 December 2024, Diamond Era was interested in 216,206,900 shares. Diamond Era is wholly-owned by Mr. Zhang, an executive Director.

2. Filled Converge is wholly-owned by Mr. Zhang which holds the New Convertible Bonds issued by the Company on 28 April 2022 in the principal amount of HK$356,375,000. Assuming the conversion right of the New Convertible Bonds were exercised in full, the total of 494,278,779 new shares will be issued to Filled Converge, representing approximately 28.83% of total issued shares issued by the Company as at 31 December 2024.

3. On 21 June 2024, the Company and Atlantis New Hong Kong Equity Fund Limited ("**Subscriber B**") has entered into a subscription agreement, pursuant to which Subscriber B has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 119,437,859 ordinary shares and the Company's convertible bond ("**2024 HKD Convertible Bonds**") in a principal amount of approximately HK$161.7 million, which is convertible into 825,006,585 ordinary shares of the Company. For details, please refer to the Company's announcement dated 21 June 2024.

   As at 31 December 2024, Subscriber B was interested in 944,444,444 shares of the Company, representing approximately 55.08% of issued share capital of the Company as at 31 December 2024, assuming full exercise of the conversion rights attached to all of the 2024 HKD Convertible Bonds.

   Subscriber B is wholly controlled by Atlantis Investment Management Limited ("**Atlantis Investment**"), which, in turn, is wholly controlled by Atlantis Capital Group Holdings Limited ("**Atlantis Capital**"). Therefore, Atlantis Investment and Atlantis Capital are deemed to be interested in the shares in which Subscriber B is interested under SFO.

   Atlantis Capital is wholly controlled by Liu Yang. Therefore, Liu Yang is deemed to be interested in the shares in which Atlantis Capital is interested under SFO.

4. On 26 January 2024, Hebei Provincial Expressway Development Co., Ltd.* (河北高速公路開發(集團)有限公司) ("**Subscriber A Holdco**") and the Company conditionally entered into two subscription agreements (as supplemented by a supplemental agreement dated 21 June 2024), pursuant to which, Subscriber A Holdco has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 590,615,905 ordinary shares and the Company's convertible bond ("**2024 RMB Convertible Bonds**") in a principal amount of approximately RMB933.7 million, which is convertible into 5,187,161,873 ordinary shares of the Company. For details, please refer to the Company's announcement dated 21 June 2024.

   As at 31 December 2024, Subscriber A Holdco was interested in 5,777,777,778 shares of the Company, representing approximately 336.95% of the issued share capital of the Company as at 31 December 2024, assuming full exercise of the conversion rights attached to all of the 2024 RMB Convertible Bonds.

   Subscriber A Holdco is wholly controlled by Hebei Transportation Investment Group Company Limited * (河北交通投資集團有限公司) ("**Hebei Transportation Investment Group**"). Therefore, Hebei Transportation Investment Group is deemed to be interested in the shares in which Subscriber A Holdco is interested under SFO.

5. Based on the total number of issued shares (i.e. 1,714,719,143) of the Company as at 31 December 2024.

CONNECTED TRANSACTIONS

Save as otherwise disclosed in this report, and paragraph headed "Issuance of New Convertible Bonds", all the related party transactions in 2024 as disclosed in note 33 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with the relevant reporting, announcement or independent shareholders' approval requirements. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF 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.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the current year attributable to the Group's largest and five largest customers and suppliers, respectively, were as follow:

— the largest customer	100%
— five largest customers	100%
— the largest supplier	26.9%
— five largest suppliers	54.7%

To the knowledge of the Directors, none of the Directors, their associates or any Shareholders owning more than 5% of the Company's issued share capital, had any interest in any of the five largest customers or suppliers of the Group.

BANK LOANS

Particulars of bank loans are set out in note 31 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association, the Directors, managing directors, alternate Directors, Auditors, secretary and other officers for the time being of the Company shall be indemnified and secured harmless out of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or about the execution of their duty in their offices or in relation thereto.

The Company has arranged appropriate Directors' and officers' liabilities insurance coverage for the Directors and officers of the Company throughout the current year.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the remuneration committee of the Company (the "**Remuneration Committee**") on the basis of the merit, qualifications and level of competence of the employees.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, their individual performance and comparable market statistics.

The Company has adopted share option schemes as an incentive to Directors and eligible employees. Details of the Share Option Scheme are set out in note 29(a) to the consolidated financial statements and the paragraph headed "Share Option Scheme" in this Directors' Report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

SUFFICIENCY OF PUBLIC FLOAT

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

ACQUISITIONS AND DISPOSAL

Save as disclosed in the section headed "Material Acquisition and Disposal" in the "Management Discussion and Analysis" session, there are no material acquisition and disposal during the current year.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Among the global community focusing increasingly on reducing the dependence on conventional fossil fuels to mitigate global warming caused by greenhouse gases, China has also identified wind power generation as a key component of national economic growth. The Company recognises that clean energy has become an indispensable part of the environment and economy for the country and even the globe. The Company is committed to developing wind farm projects to provide the state power grid with clean and renewable energy, easing the dependence on conventional fossil fuels and hence effectively avoiding greenhouse gas emissions, serving as an important direct towards the Company's sustainable development. Details of environmental policies and performance are set out in the "Environmental, Social and Governance Report" session of this report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Board pays attention to the Company's policies and practices to ensure its compliance with the legal and regulatory requirements in both the PRC and Hong Kong. External compliance and legal advisers are engaged to ensure transactions and business performed by the Group are within the applicable legal framework. Updates on the applicable laws, rules and regulations are brought to the attention of the relevant employees and operation units from time to time.

As far as the Board and management of the Company are aware of, there has been no material non-compliance with the applicable laws and regulations by the Group, which may cause a significant impact on its business and operation.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Company emphasises the protection of employees' legitimate rights and occupational health and safety, as well as observing Labour Law of the PRC and standards relating to occupational health in the wind power industry. Meanwhile, we understand that maintaining a close work relationship with the national grid and suppliers has a far-reaching impact on the Company's sustainable development. During the current year, the Company maintains a sound relationship with the national grid and suppliers without any major disputes.

SIGNIFICANT EVENTS OCCURRED SINCE THE END OF THE REPORTING PERIOD

Details of significant events occurred since the end of the reporting period are set out in the section headed "Management Discussion and Analysis — Significant Events Occurred Since the End of the Reporting Period" in this report.

MANAGEMENT CONTRACTS

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

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" section of this report.

AUDITORS

The accounts for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 were audited by Linksfield CPA Limited. A resolution will be proposed to the Shareholders at the forthcoming AGM to re-appoint Linksfield CPA Limited as the auditors of the Company.

Save as disclosed above, there was no other change in auditors of the Company during the past three years.

On behalf of the Board

Yuan Wanyong
Chairman

Hong Kong
31 March 2025

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance in order to raise the quality of management and protect the interests of Shareholders as a whole. To honor these commitments, the Group believes that good corporate governance reflects that a responsible enterprise must be credit worthy and transparent and abode by a high level of code of practice. Accordingly, the Company has adopted and applied high standard of corporate governance principles that provides a framework and solid foundation for achieving, attracting and retaining the high standard and quality of the Group's management, promoting high standards of sound internal control, accountability and transparency to all Shareholders and also meeting the expectations of the Group's various stakeholders. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

CORPORATE GOVERNANCE CODE

For the Reporting Period, the Company has adopted and complied with the code provisions (the "**Code Provision(s)**") set out in the Corporate Governance Code (the "**Code**") in Part 2 of Appendix C1 to the Listing Rules, except for the deviations from Code Provisions as described below:

The Code Provision F.2.2 of the Code provides that the chairman of the board of directors of a listed issuer should attend the annual general meeting. As Mr. Yuan, the chairman of the Board, did not attend the annual general meeting of the Company held on 21 June 2024 (the "**2024 AGM**") due to other business arrangement, Mr. Zhang, an executive Director, who attended the 2024 AGM in person, was elected by the Directors to chair the 2024 AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Director's securities transactions on terms no less exacting than the required standard set out in the Model Code. The Company had made specific enquiries with all the Directors and all the Directors confirmed that they had complied with the practice as contained in the Model Code and the aforesaid code of conduct adopted by the Company for the year ended 31 December 2024.

Senior management and those staff who are more likely to be in possession of unpublished price-sensitive information, inside information or other relevant information in relation to the Group have adopted rules based on the Model Code. These senior management and staff have been individually notified and advised about the Model Code by the Company. No incident of non-compliance of the Model Code by relevant senior management members was noted by the Company during the year ended 31 December 2024.

THE BOARD OF DIRECTORS

Board Responsibility and Delegation

The Board is collectively responsible for the formulation of all commercial policies and strategies in relation to the business operation of the Group to ensure that ample resources and effective internal controls (including financial controls) are in place. The Board has the responsibility to establish the Company's policies and overall strategy of the Group, and provides effective supervision of the management of the Group's affairs. The Board also supervises the financial performance of the Group's business operations and internal controls. All the Directors are able to obtain information on the Group's business on a timely basis and to make further inquiries if needed.

The Board oversees the Group's overall strategic plans, approves major funding and investment proposals and reviews the financial performance of the Group. The Board supervises the management of the business and affairs of the Group.

The management, consisting of executive Directors along with other senior management of the Group, is delegated with the responsibilities to carry out policies set by the Board from time to time and supervises the day-to-day management of the Group. The management of the Group meet regularly to review the business performance of the Group as a whole, coordinate overall resources and make financial and operational decisions.

The Board has delegated some of its functions to the Board committees, details of which are set out below. Matters specifically reserved for the Board include but not limited to approval of financial statements, dividend policy, significant changes in accounting policies, material contracts or transactions, significant appointments such as company secretary of the Company (the "**Company Secretary**") and external auditor, terms of reference of board committees, as well as major corporate policies such as code of conduct and whistle-blowing policy.

The Company has arranged Directors' and officers' liability and Company reimbursement insurances for its Directors and officers in accordance with Code Provision C.1.8.

The Board is responsible for performing the corporate governance functions set out in Code Provision A.2.1. As at the date of this report, the Board has reviewed and monitored: (a) the Company's corporate governance policies and practices, (b) training and continuous professional development of Directors and senior management, (c) the Company's policies and practices on compliance with legal and regulatory requirements, (d) the Company's code of conduct and (e) the Company's compliance with the Code and the disclosure requirements therein.

COMPOSITION AND APPOINTMENT

Composition

As at the date of this report, the Board comprises six Directors, of whom three are executive Directors and three are independent non-executive Directors. The composition of the Board during the year ended 31 December 2024 and up to the date of this report is as follows:

Executive Directors

Mr. Yuan Wanyong *(Chairman)*
Mr. Zhang Zhixiang *(Chief Executive Officer)*
Mr. Ning Zhongzhi

Independent Non-executive Directors

Mr. Qu Weidong
Ms. Hu Xiaolin
Mr. Jiang Senlin

The term of appointment of each of the independent non-executive Directors is 2 years and subject to retirement by rotation and re-election in accordance with the Articles of Association.

The details of the biographies of the existing Directors are set out in the section headed "Biographies of Directors and Senior Management" on page 26 to page 28 of this report.

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, during the year ended 31 December 2024, there were three independent non-executive Directors in the Board and the number of independent non-executive Directors represents at least one-third of the Board, among the three independent non-executive Directors, Mr. Jiang Senlin, possesses appropriate professional qualification in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. The Board considers that the independent non-executive Directors are all independent persons with appropriate qualifications or expertise and the Company has complied with the relevant requirements of the Listing Rules.

The Company has received from each of its independent non-executive Directors an annual confirmation of their independence pursuant to the requirements under the Listing Rules. The Company, based on such confirmations, considers all independent non-executive Directors, namely Mr. Jiang Senlin, Mr. Qu Weidong and Ms. Hu Xiaolin, have satisfied the independence requirement under Rule 3.13 of the Listing Rules.

As at 31 December 2024, Mr. Zhang Zhixiang is a Director and holds 100% of the issued share capital of Diamond Era and Filled Converge, which are substantial Shareholders of the Company holding a total of approximately 41.81% of the issued share capital of the Company as at 31 December 2024 assuming full exercise of the conversion rights attached to the New Convertible Bonds issued by the Company.

Save as disclosed above, the Directors confirmed that there was no relationship (including financial, business, family or other material/relevant relationship) between the Board members or other major events or relevant matters that were required to be disclosed.

Board meetings

The Board has supervised and controlled the Company's affairs effectively, and relevant decisions were made in the Company's best interests. For the year ended 31 December 2024, the Board held 5 Board meetings to consider (of which included) the Company's transactions, financial affairs and other matters under the Articles of Associations to carry out its duties.

For the year ended 31 December 2024, the attendance record of each Director at the Board and the general meetings of the Company held during the year ended 31 December 2024 is set out in the table below:

	Number of meetings attended/held	
Director's name	**Board**	**General**
Executive Directors		
Mr. Yuan Wanyong *(Chairman)*	3/5	0/1
Mr. Zhang Zhixiang *(Chief Executive Officer)*	5/5	1/1
Mr. Ning Zhongzhi	5/5	1/1
Independent non-executive Directors		
Mr. Qu Weidong	5/5	1/1
Ms. Hu Xiaolin	5/5	1/1
Mr. Jiang Senlin	3/5	1/1

PROCEDURES OF BOARD MEETINGS

The Board has established meeting procedures and has complied with the provisions of the Code.

The procedures of Board meetings provide that the Board shall meet at least four times each year and can convene additional meeting when necessary. Directors can express different opinions at Board meetings. Important decisions will be made only after detailed discussions by the Board. Directors who have conflict of interest or material interests in the relevant transactions will not be counted towards the quorum of the meeting and shall abstain from voting on the relevant resolutions. Minutes of Board meetings and other committee meeting will be drafted by the Company Secretary and will be sent to all members for their comments and records respectively. Directors are entitled to inspect the minutes at any time.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with necessary induction and information to ensure that he or she has a proper understanding of the Company's operations and businesses as well as his or her responsibilities under the relevant statutes, laws, rules and regulations.

During the Reporting Period, Directors are provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices. In particular, training sessions covering topics including the Code and the disclosure of inside information were held during the Reporting Period.

According to the records provided by the Directors, a summary of training received by the Directors during the year ended 31 December 2024 is as follows:

Director's name	**Reading seminar materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements/attending briefing sessions**
Executive Directors	
Mr. Yuan Wanyiong *(Chairman)*	✓
Mr. Zhang Zhixiang *(Chief Executive Officer)*	✓
Mr. Ning Zhongzhi	✓
Independent non-executive Directors	
Mr. Qu Weidong	✓
Ms. Hu Xiaolin	✓
Mr. Jiang Senlin	✓

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. One meeting was held by the Chief Executive Officer and the independent non-executive Directors, without the presence of other Directors during the Reporting Period to discuss and review the performances of the executive Directors.

AUDITOR'S REMUNERATION

During the year ended 31 December 2024, the amount of fee paid or payable to the auditors of the Group, Linksfield CPA Limited, was as follows:

Type of service	**Fee**
Audit services	HK$1,350,000
Non-audit services	HK$250,000

ACCOUNTABILITIES AND AUDIT

The Directors understand their responsibility to prepare the Group's financial statements according to relevant legal provisions and the Hong Kong Generally Accepted Accounting Principles to ensure that the financial reports present a true and fair view of the Group's financial conditions. In the preparation of the Group's financial reports for the year ended 31 December 2024, the Directors had adopted and implemented the appropriate accounting policies, made prudent and reasonable judgments and projections and prepared the financial statements on a going concern basis.

The Board had presented information on the Group's developments and various corporate information which aimed to be comprehensive, balanced and easily understood, including but not limited to the interim and yearly financial reports as stipulated in the Listing Rules, disclosure of and public announcement of information which influence the Shares and submitted reports to the regulatory authorities and made other disclosures pursuant to regulatory provisions.

The auditors' responsibilities are set out in the Independent Auditor's Report on pages 80 to 86 of this report.

The accounts for the year ended 31 December 2024 were audited by Linksfield CPA Limited whose term of office will expire upon the AGM. The Audit Committee has recommended to the Board that Linksfield CPA Limited be re-appointed as the auditors of the Company at the AGM.

RISK MANAGEMENT AND INTERNAL CONTROL

Effectively implementing the risk management and internal control measures is an ongoing responsibility of the Board and the management of the Company. The monitoring objectives of the Company are to provide reasonable assurance that the Company's operational management is lawful and compliant, the assets are safe, the financial statements and related information are true, fair and complete, and operational efficiency and effectiveness are enhanced, thereby the development strategy of the Company is accomplished.

The Company paid particular attention to the ongoing optimization of the internal control, including risk assessment and internal control evaluation, into its daily supervision and management of the Company. The internal control awareness and system are gradually strengthened, while the duties are clearer segregated and elaborated. Through effective assessment in accordance with the confirmative risk assessment and internal control evaluation plan, the internal control infrastructure through the said assessment and evaluation is further established. With a summary of the general defects identified in the operating system of the Company come the proposed solutions and remediations.

The Board acknowledges its responsibility to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and to ensure that the Group establishes and maintains appropriate and effective risk management and internal control systems. However, risk-taking is an unavoidable necessity and an accepted part of the Company's business, effective risk management is an integral to preserving competitive advantages and ensures the Company achieves its strategic and business objectives. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

Risk management applies to all aspects of the Group's business and is a critical component in developing strategic plans, preparing operational plans and budgets, approving investment projects and managing project plans. The major procedures of risk assessment of the Company consist of: goal setting, information collection and risk identification, risk analysis, response to risk, risk monitoring and reporting.

Business units and divisions specify the risk management strategies and the solutions to risk management, and set a risk alert level and the relevant strategies pursuant to the prescribed risk tolerance corresponding to the operating objectives. Solutions to risk management are established for each significant risk based on the risk management strategy. Combining with the development stages and the business expansion needs, information relating to changes in risks is continuously collected for risk identification and risk assessment, and for prompt adjustment to the strategies in response to risks.

The management of the Group maintains and evaluates the risk management system on a regular basis.

The Group integrates the risk management and internal control system into various business processes, and adopts various measures and procedures to evaluate and prudently improve the effectiveness of the risk management and internal control system, including organizing the Group and affiliated companies to conduct self-assessment on risks on a regular basis, and to conduct independent risk assessment and internal control evaluation as well.

Risks are evaluated by the Board and management based on the severity of the impact on the Company and the probability that the risk will occur.

Based on the risk evaluation, the Group will manage the risks as follows:

- Risk elimination: management may identify and implement certain changes or controls that in effect eliminate the risk entirely.

- Risk mitigation: management may implement a risk mitigation plan designed to reduce the likelihood and/or the severity of impact to an acceptable level.

- Risk acceptance: management may decide that the risk rating is acceptable for the Company meanwhile and as such no action is required. However, the risk would continue to be monitored to ensure the level of risk does not increase to an unacceptable level.

Controls and review

Policies and procedures are in place to ensure that relevant management directives are carried out and actions that may be needed to address risks are taken. These may include approvals and verifications, reviews, safeguarding of assets and segregation of duties.

Control activities can be divided into operations, financial reporting and compliance, although there may, on occasion, be some overlap among them. The typical control activities adopted by Group companies include:

- analytical reviews: such as conducting reviews of actual performance versus budgets, forecasts, prior periods and competitors;

- direct functional or activity management: reviews of performance reports;

- physical controls: ensuring equipment, inventories and other assets are safeguarded and subjected to periodic checks; and

- segregation of duties: dividing and segregating duties among different people, with a view to strengthening checks and minimizing the risk of errors and abuse.

Inside Information

The Board is the governing body of inside information. In order to standardise the inside information management of the Group, the Board takes reasonable precautions to preserve the confidentiality of inside information, maintains the principle of fairness of information disclosure, and protects the legitimate rights and interests of the Company, Shareholders, creditors and other stakeholders. The Company formulates a control system in accordance with relevant laws, regulations and rules by taking into consideration the actual situation of the Company.

With respect to procedures and internal controls for the handling and dissemination of inside information, the Group:

- conducts its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission;
- closely communicates and seeks advice from its legal advisor in the assessment of the likely impact of any unexpected and significant event that may impact the price of the Shares or their trading volume and to determine whether the relevant information is considered inside information that needs to be disclosed as soon as reasonably practicable pursuant to the SFO and the Listing Rules;
- has included in its Corporate Code of Conduct a strict prohibition on the unauthorised use of confidential or inside information; and
- ensures, through its own internal reporting processes and the consideration of their outcome by senior management, the appropriate handling and dissemination of inside information.

Assessing the effectiveness of Risk Management and Internal Control Systems

The Board, via the Audit Committee, is responsible for the review and assessment of the major risks the Group faces and the review, approval and monitoring of the Group's response to such risks annually.

The Audit Committee oversees the risk management process and reviews the effectiveness of the risk management and internal control systems by performing the following procedures:

- review the reports on compliance with the risk management policy with the management annually;
- discuss with management annually on the Group's major risks and the steps management has taken since then or should take to address and deal with such risks; and
- review the effectiveness of the Group's risk management practices.

Management is responsible for ensuring the Group's business operations are conducted in line with our risk management policy, taking the changes in external environment and the Group's risk tolerance level into consideration.

In addition to the Board's supervision, the Group has developed a risk management process to identify, evaluate and manage significant risks and to remediate material internal control deficiencies (if any). Management, through the engagement of the independent internal control and risk advisory consultant, is responsible for the annual risk reporting process. The independent internal control and risk advisory consultant meets with members of the senior management to review and assess risks and discuss remedial measures to address material internal control deficiencies (if any), including any changes relevant to a given year. Risks are compiled, ratings assigned and mitigation plans documented. The risk assessment is reviewed by management and presented to the audit committee and the Board for their review.

The Group has in place effective processes and systems for the identification, capture and reporting of operational, financial and compliance-related information in a form and timeframe intended to ensure that staff carry out their designated responsibilities.

Risk Management and Internal Control Process

On behalf of the Board, the Audit Committee reviews annually the continued effectiveness of the Group's risk management and internal control systems dealing with risk and financial accounting and reporting, the effectiveness and efficiency of operations, compliance with laws and regulations, and risk management functions.

This assessment considers:

- the scope and quality of management's ongoing monitoring of risks and of the risk management and internal control systems;

- the extent and frequency with which the results of monitoring are communicated, enabling the Audit Committee to build up a cumulative assessment of the state of control in the Group and the effectiveness with which risk is being managed;

- the incidence of any significant control failings or weaknesses that have been identified at any time during the period and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Group's financial performance or condition;

- the effectiveness of the Group's processes in relation to financial reporting and statutory and regulatory compliance;

- areas of risk identified by management;

- significant risks reported by the independent internal control and risk advisory consultant;

- work programs proposed by the independent internal control and risk advisory consultant and the external auditors; and

- significant issues arising from internal and external audit.

As a result of the above review, the Board considers that the Group's risk management and internal control systems are effective and adequate and have complied with the Code Provisions on risk management and internal control throughout the year Reporting Period and up to the date of this report.

Internal Audit

The Group has engaged an independent internal control and risk advisory team, which plays a major role in monitoring the corporate governance of the Group and providing an objective assessment to the Board that a sound internal control system is maintained and operated by the management.

The internal control and risk advisory team would conduct regular and independent reviews of the effectiveness of the Group's internal control system. The Audit Committee reviews the findings and recommendations of the internal control and risk advisory team on the effectiveness of the Group's internal control system and reports to the Board on such reviews.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Jiang Senlin, Mr. Qu Weidong and Ms. Hu Xiaolin, and Mr. Jiang Senlin is the chairman of the Audit Committee. The annual results of the Company for the year ended 31 December 2024 and this report has been reviewed by the Audit Committee before being presented to the Board for approval.

The Audit Committee held two meetings during the Reporting Period. The attendance record of the Audit Committee meetings is as follows:

Name of member	Number of Audit Committee meetings attended/Number of meetings held	Title
Mr. Jiang Senlin *(chairman of the Audit Committee)*	2/2	Independent non-executive Director
Mr. Qu Weidong	2/2	Independent non-executive Director
Ms. Hu Xiaolin	2/2	Independent non-executive Director

The Audit Committee has reviewed the audit performance, the internal controls and risk management and the interim and audited accounts for the year ended 31 December 2024. In performing its duties, the Audit Committee has overseen the Company's relationship with the auditors, the nature and scope of the audit, reviewed of the process by which the Company evaluates its control environment and risk assessment process, and the way in which business and control risks are managed. It also reported to the Board on the proceedings and deliberations of the Audit Committee. The Audit Committee has also reviewed this report and confirmed that this report has complied with the Listing Rules.

DIVIDEND POLICY

The Company has adopted a dividend policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the dividend policy (including but not limited to the Group's financial results, cash flow position, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans), dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

REMUNERATION COMMITTEE

The Remuneration Committee shall meet at least once a year to decide on the Director's emoluments. During the Reporting Period, the Remuneration Committee comprised one executive Director/Chief Executive Officer, namely, Mr. Zhang Zhixiang and the three independent non-executive Directors namely, Mr. Jiang Senlin, Mr. Qu Weidong and Ms. Hu Xiaolin. Ms. Hu Xiaolin currently serves as the chairman of the Remuneration Committee.

The role and function of the Remuneration Committee include, inter alia, making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing policy on such remuneration, reviewing and determining the remuneration packages for all executive Directors and senior management, making recommendations to the Board of the remuneration of non-executive Directors, reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time and reviewing and approving the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment. The terms of reference of the remuneration committee are in compliance with the Code and are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee held one meeting during the Reporting Period, at which the Remuneration Committee reviewed, discussed and determined the remuneration policy and the remuneration of the Directors and the senior management during the Reporting Period. The attendance record of the Remuneration Committee meetings is as follows:

Name of member	Number of Remuneration Committee meeting attended/Number of meeting held	Title
Ms. Hu Xiaolin *(chairman of the Remuneration Committee)*	1/1	Independent non-executive Director
Mr. Zhang Zhixiang	1/1	Executive Director and Chief Executive Officer
Mr. Qu Weidong	1/1	Independent non-executive Director
Mr. Jiang Senlin	1/1	Independent non-executive Director

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Directors' remuneration is determined based on a variety of factors such as market conditions and responsibilities assumed by each Director. As at 31 December 2024, there was no arrangement in which the Directors waived their remuneration.

Details of Directors' remuneration are set out in note 10 to the consolidated financial statements.

Senior management's remuneration payment of the Group in the year ended 31 December 2024 falls within the following bands:

	Number of Individuals
RMB1,000,000 or below	0
RMB1,000,001 to RMB2,000,000	3

NOMINATION COMMITTEE

The Nomination Committee comprised one executive Director/Chief Executive Officer, namely Mr. Zhang Zhixiang and three independent non-executive Directors namely, Mr. Jiang Senlin, Mr. Qu Weidong and Ms. Hu Xiaolin. Mr. Qu Weidong currently serves as the chairman of the Nomination Committee.

The roles and functions of the Nomination Committee include, inter alia, reviewing the structure, size and composition of the Board, making recommendations on any proposed changes to the Board, identifying individuals suitably qualified to become Directors, assessing the independence of the independent non-executive Directors, making recommendations to the Board on the appointment or re-appointment of Directors and succession planning of directors, reviewing the nomination procedures and the process and criteria for selection and recommendation of candidates for directorship, determining the policy for nomination of Directors and reviewing its own performance, constitution and terms of reference. The terms of reference of the Nomination Committee are in compliance with the Code and are available on the website of the Stock Exchange and the Company.

The Nomination Committee held one meeting during the Reporting Period. The attendance record of the Nomination Committee meetings is as follows:

Name of member	**Number of Nomination Committee meeting attended/Number of meeting held**	**Title**
Mr. Qu Weidong *(chairman of the Nomination Committee)*	1/1	Independent non-executive Director
Mr. Zhang Zhixiang	1/1	Executive Director and Chief Executive Officer
Ms. Hu Xiaolin	1/1	Independent non-executive Director
Mr. Jiang Senlin	1/1	Independent non-executive Director

During the Reporting Period, the Nomination Committee adopted a diversity policy setting out the approach to diversify the members of the Board. The Company recognises and embraces the benefits of having a diversified Board. The Nomination Committee works to ensure a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and objectives. All Board appointments would continue to be made based on meritocracy. Selection of candidates would be based on a range of diversity perspectives, which would include but not be limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision would be based on merit and contribution that the selected candidates would bring to the Board as well as the needs of the Company.

BOARD DIVERSITY

The Board has established a policy setting out the approach to achieve diversity on the Board with the aims of enhancing Board effectiveness and corporate governance as well as achieving better performance of the Company. The Board believes that a board of directors with a diverse composition will enable the Company to, in a more efficient manner, improve the work quality of the Board, understand and meet customer needs and enhance decision making ability of the Board. In selecting candidates, the Board, Nomination Committee and Remuneration Committee consider a large number of factors including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge and years of service, in order to achieve the diversity of members of the Board. The Nomination Committee and Remuneration Committee report annually on the composition of the Board from the perspective of diversity. The Board considers that the current structure and composition of the Board is appropriate to enable it to carry out its responsibilities of leadership and monitoring of the Company.

As at 31 December 2024, the Board comprised 6 Directors, of whom 5 were male and 1 was female. The Board members are diverse in terms of gender, education background, professional experience, skills, knowledge and service term.

GENDER DIVERSITY OF WORKFORCE

As at 31 December 2024, the Group had approximately 152 employees (including executive Directors and senior management), approximately 20% of whom were female. The Board regularly assesses the Group's diversity profile of all levels of employees and considers the diversity policy to attract, retain and motivate employees from the widest possible pool of available talent. The Board considers that the gender ratio of the workforce of the Group, including the Senior Management, is appropriate for the operations of the Group and will strive to maintain this ratio.

COMPANY SECRETARY

Ms. Wong has been appointed as the Company Secretary with effect from 31 December 2019. The Company Secretary reports directly to the Board. All the Directors have easy access to the services of the Company Secretary and responsibility of the Company Secretary is to ensure the Board meetings are properly held and are in compliance with the relevant laws and regulations. The Company Secretary is also responsible for giving advice with respect to the Directors' obligations on securities interest disclosure, disclosure requirements of disclosable transactions, connected transactions and inside information.

Ms. Wong had taken no less than 15 hours of relevant professional training during the year ended 31 December 2024.

INVESTORS RELATIONS

The Board recognises the importance of maintaining clear, timely and effective communication with Shareholders and investors. The Board also recognises that effective communication with investors is the key to establish investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure that the investors and the Shareholders receiving accurate, clear, comprehensive and timely information of the Group by the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate correspondence on the Company's website. The Board continues to maintain regular dialogues with institutional investors and analysts from time to time to keep them informed of the Group's strategy, operations, management and plans. The Directors and the members of the Board committees would attend and are available to answer questions at annual general meetings of the Company. Separate resolutions would be proposed at general meetings of the Company on each substantially separate issue.

Save as disclosed in this report, during the year ended 31 December 2024, the Company did not make any significant changes to its memorandum and Articles of Association.

COMMUNICATION WITH SHAREHOLDERS

The Board and senior management recognise the responsibility of safeguarding the interest of Shareholders. The Company reports its financial and operating performance to Shareholders through annual reports and interim reports. Shareholders can also obtain information of the Group in time through annual reports, interim reports, announcements, circulars, press releases and the Group's company website. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group at annual general meetings.

The Company has conducted a review of the implementation and effectiveness of the Shareholder's communication policy during the Reporting Period. To promote effective communication, the Company maintains a website at www.c-ruifeng.com, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Investors may write directly to the Company or via email to ir@c-ruifeng.com for any enquiries. With the above measures in place, the Shareholder's communication policy is considered to have been effectively implemented.

Procedures for directing Shareholders' enquiries to the Board

Shareholders may at any time put forward their proposals or enquiries to the Board in writing through the Company Secretary whose contact details are as follows:

China Ruifeng Renewable Energy Holdings Limited
Room 2801–2804, 28/F,
Office Tower, Convention Plaza,
1 Harbour Road, Wanchai,
Hong Kong
Email: ir@c-ruifeng.com
Tel No.: +852 2598 5188
Fax No.: +852 2114 2358

Procedures for putting forward proposals at general meetings by Shareholders

Pursuant to Article 64 of the Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transactions of any business specified in such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) may do so in the same manner.

Pursuant to Article 113 of the Articles of Association, no person (other than a retiring Director), shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office of the Company. The period for lodgment of the notices required under the Articles of Association will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

THE BOARD STATEMENT

As the Board of Directors of China Ruifeng Renewable Energy Holdings Limited, we are pleased to present our Environmental, Social, and Governance ("**ESG**") Report for the year ended 31 December 2024 (the "**Reporting Period**"). This report reflects our commitment to transparency and accountability in our operations, particularly in the vital sector of wind energy generation.

Our mission is to lead the transition to sustainable energy solutions, and we recognise the crucial role we play in addressing climate change and promoting environmental stewardship. As a wind energy generation farm, we are dedicated to harnessing renewable resources to provide clean, sustainable energy while minimising our environmental footprint.

Throughout this Reporting Period, we have made significant strides in enhancing our operations and sustainability practices. We actively engage with our stakeholders to understand their concerns and expectations, ensuring our initiatives align with their values. Regular communication with our employees, local communities, and investors has enabled us to gather valuable insights that inform our decision-making processes.

We are proud of our achievements, including increased energy production, reduced greenhouse gas emissions, and community engagement initiatives that support local development. However, we also recognise the challenges ahead. We are committed to continuously improving our practices, expanding our renewable energy capacity, and addressing the social and environmental impacts of our operations.

Our governance framework ensures that sustainability is integrated into our strategic planning and operational execution. We prioritise ethical business practices and compliance with applicable regulations, fostering a culture of responsibility and integrity within our organisation.

This ESG Report outlines our performance in key areas, including environmental impact, social responsibility, and corporate governance. We invite you to review the details and join us in our journey toward a sustainable future.

Thank you for your ongoing support and commitment to our mission.

ABOUT THIS REPORT

China Ruifeng Renewable Energy Holdings Limited together with its subsidiaries is pleased to present the Environmental, Social, and Governance Report to provide an overview of the Group's management on significant issues affecting the operation, and the performance of the Group in terms of environmental and social aspects.

The objective of the ESG Report is to demonstrate the ESG performance of the Group, assisting stakeholders in understanding our ESG principles, development, and practices in pursuit of sustainable development for the future.

Reporting Scope and Boundary

This Report summarises of our major operations and the social responsibility of the whole Group.

The reporting boundary is determined based on the materiality of the businesses involved. Specifically, operations that generate significant revenue are selected to ensure a comprehensive presentation of the Group's impact and sustainability performance. During the Reporting Period, the Hongsong wind farm in Hebei, the PRC has contributed approximately 95% of the Group’s revenue. We are committed to improving internal data collection procedures and gradually expanding the scope of the disclosure when necessary.

The scope of this ESG Report includes the environmental performance of the Group’s offices in Hong Kong and Hongsong wind farm, and the social and governance performance of the whole Group.

Reporting Principles and Standards

The ESG Report is prepared in accordance with the requirements of Environmental, Social, and Governance Reporting Guide under Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group has complied with all "comply or explain" provisions set out in the ESG Reporting Guide and followed the four reporting principles — materiality, quantitative, balance and consistency, in the preparation of the ESG Report.

Materiality — materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section "Stakeholder Engagement and Materiality" in the ESG Report.

Quantitative — key performance indicators (“**KPIs**”) have been established and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

Balance — the performance of the Group was presented impartially, avoiding choices, omissions or presentation formats that may unduly influence readers' decisions or judgment.

Consistency — consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

Our Governance Structure

The Board has overall responsibility for the Group's ESG strategy and reporting. It is responsible for evaluating and determining the Group's ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The management is responsible for effectively coordinating the application of the Group's environment, employment, and service quality assurance policies.

The Board leads and provides direction to management by instituting ESG policies and initiatives, supervising their implementation and monitoring ESG performance. The Board regularly reviews ESG affairs, including environmental protection, employment and labour practices, operating practices, and community investment, and implements appropriate measures to enhance the ESG performance of the Group. The Board continues to explore ways to strengthen the Group's ESG governance further.

STAKEHOLDER ENGAGEMENT

The Group engages with key internal and external stakeholders through daily interactions to understand their concerns and expectations regarding ESG issues. Through these regular engagement sessions, the Group gathers valuable feedback and identifies areas of focus that will assist the business in achieving its growth potential and preparing for future ESG challenges. Detailed methods of stakeholder engagement are presented in the following table.

Stakeholders	Expectations and Concerns	Communication channels
Government and regulatory organisations	• Compliance with laws and regulations	• Announcements and other regulatory reports
Shareholders and investors	• Return on investments • Corporate governance mechanism • Sustainable development • Compliance with laws and regulations	• Information disclosed on the Stock Exchange website and the Company's website • Annual general meetings and other shareholders' meetings
Employees	• Employees' compensation and benefits • Career development • Occupational safety and health	• Employee performance evaluation • On-the-job training • Internal email • Regular meetings
Suppliers and sub-contractors	• Creditworthiness • Fulfilment of promises	• Selection and performance assessment • Site visits • Meetings
Customers	• Stable energy supply • Operational compliance and risk management	• Corporate website
Community and public	• Compliance with laws and regulations • Involvement in communities • Environmental protection awareness	• Industry events • Corporate social responsibility activities

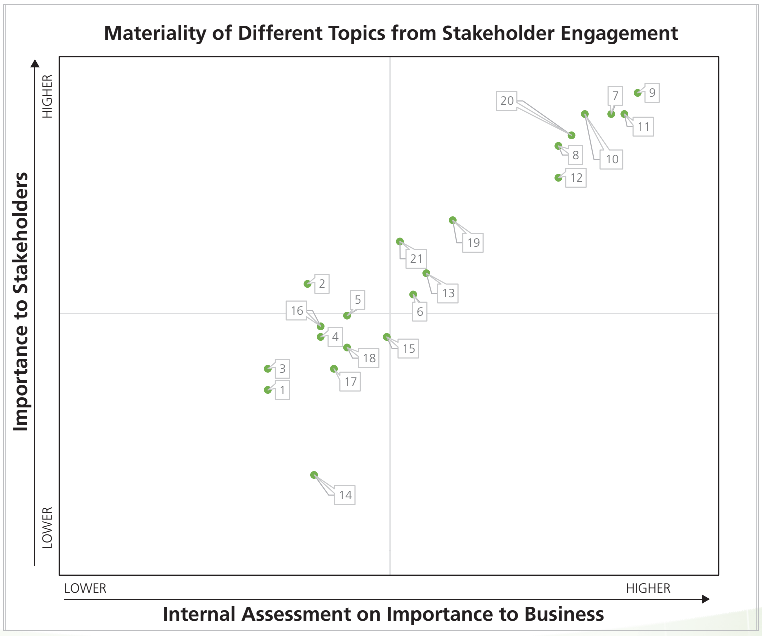
MATERIALITY ASSESSMENT

We have conducted a materiality assessment through a survey in order to identify the priority of material issues to the Group. In the survey, various ESG-related issues were listed, including environmental protection, operational practices, community involvement and human resources. Different stakeholders were invited to rate the relative importance of the ESG issues to the Group's development as well as to the stakeholders.

The result of the assessment reflects the concerns of our stakeholders regarding various ESG issues. This insight helps us in optimising the planning and implementation of relevant policies and measures, enabling more effective management of critical sustainability matters. Based on the result of the assessment, the Board has established the foundation for the Group's ESG development strategy.

We will continue to maintain close communication with stakeholders and regularly review relevant strategies and objectives to align with business development needs and expectations of stakeholders, thereby driving continual improvements in the Group's sustainability performance.

1. Air emissions
2. Wastes and effluent management
3. Greenhouse gas emissions
4. Uses of resources
5. Climate change risk management
6. Impacts to the environment
7. Employment practices
8. Equal opportunities and anti-discriminations
9. Staff retention
10. Occupational health and safety
11. Staff development and training
12. Labour standards
13. Supply chain management
14. Green procurement
15. Quality of services
16. Complaints handling
17. Advertising and promotions
18. Intellectual property management
19. Protection of data
20. Anti-fraud and anti-corruption
21. Participation in volunteer activities



STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our ESG approach and performance. Any suggestions or views can be sent by email at ir@c-ruifeng.com.

ENVIRONMENTAL

To demonstrate the Group's commitment to sustainable development and compliance with applicable regional laws and regulations related to environmental protection, we strive to maintain green manufacturing processes and operational practices in our offices. Our goal is to minimise the adverse environmental impacts of our business activities.

The Group is dedicated to achieving a balance among the three pillars of sustainable development: society, economy, and environment. Furthermore, we provide sufficient investments and resources for environmentally friendly facilities, equipment, and instruments that operate safely, effectively, and efficiently.

Emissions

The Group acknowledges its responsibility to the environment and recognises its ethical duty to reduce emissions. While the nature of our business results in minimal impacts on the environment and natural resources, we remain committed to minimising our environmental footprint. This commitment involves responsibly managing our business operations, reducing our carbon emissions, and utilising resources effectively.

The Group's major environmental aspects mainly include energy consumption and waste generation. Nevertheless, the impact on natural resources is minimal due to our business nature.

Air Emissions

During our operations, petrol and diesel are consumed for the vehicles used for business transportation purposes. In addition, the canteen of Hongsong used diesel as the cooking fuel. The combustion of fuels leads to the emissions of nitrogen oxides, sulphur oxides and particular matters.

Types of exhaust gas	Unit	2024	2023
Nitrogen oxides	kg	248.9	270.8
Sulphur oxides	kg	0.8	1.8
Particular matters	kg	23.1	25.8

Note: Emission factors for calculations on environmental parameters were made with reference to Appendix C2 of the Listing Rules and their referred documentation as set out by The Stock Exchange of Hong Kong Limited, unless stated otherwise.

GHG Emissions

As a renewable energy facility, Hongsong significantly reduces carbon emissions compared to fossil fuel-based energy sources. During the Reporting Period, Hongsong Wind Farm, has generated approximately 718,430 MWh (2023: 761,940 MWh) of power by wind, which has eliminated approximately 409,720 tCO_2e (2023: 434,534 tCO_2e) of GHG emissions.

The GHG emissions reported include the following activities and scopes:

GHG Emissions by Scope	Unit	2024	2023
Scope 1 — Direct emissions			
Combustion of fuels in stationary sources (Diesel)	tCO_2e	4.20	4.44
Combustion of fuels in mobile sources	tCO_2e	334.88	305.88
Release of refrigerants from the operation of equipment and systems	tCO_2e	79.90	88.98
Scope 2 — Indirect emissions			
Purchased electricity	tCO_2e	1,396.87	1,039.73
Scope 3 — Other indirect emissions			
Electricity used for freshwater processing	tCO_2e	3.00	3.02
Electricity used for sewage processing	tCO_2e	1.51	1.52
Paper waste disposed at landfills	tCO_2e	2.40	1.44
Total emissions	**tCO_2e**	**1,822.77**	**1,444.98**
GHG Emission Intensity	tCO_2e/GWh of power generated	2.54	1.9

Note: Emission factors were made reference to Appendix C2 to the Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

The emission factor of 0.5703 kg CO2e/kWh was used for purchased electricity in the PRC, which was made reference to The Ministry of Ecology and Environment of the People's Republic of China 2022.

Scope 3 GHG emissions were calculated based on available emission factors referred by the Appendix C2 to the Listing Rules and their referred documentation.

Wastes production

The hazardous waste generated from our operations is mainly comprised of waste gear oil for machinery maintenance. The amount of solid hazardous waste generated remained stable.

The non-hazardous waste generated mainly consists of papers and domestic waste. To minimise office waste, we have adopted various green office measures, such as maximising the use of electronic means to replace printing and reusing paper, as well as conducting recycling in the office.

Wastes generated	Unit	2024	2023
Hazardous wastes			
Waste oil barrel	kg	822.5	979.5
Waste filter	kg	/	425.5
Waste gear oil	kg	8,012.5	8,943
Total hazardous wastes	**kg**	**8,835**	**10,348**
Hazardous wastes intensity	Kg/GWh of power generated	12.30	13.58
Non-hazardous wastes	kg	24,366	24,299
Non-hazardous wastes intensity	Kg/GWh of power generated	33.91	31.89

Compliance status

During the Reporting Period, the Group stringently complies with national and local laws and regulations concerning environmental protection and pollution control, including but not limited to:

- Energy Conservation Law of the PRC;
- Environmental Protection Law of the PRC;
- Law of the PRC on the Prevention and Control of Water Pollution;
- Law of the PRC on Prevention and Control of Air Pollution; and
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste.

Measures to Mitigate Emissions and Emission Reduction Targets

The greenhouse gas (GHG) emissions generated from the Group's daily electricity consumption, as well as petrol and diesel combustion in vehicles and the canteen, represent the primary sources of the Group's carbon footprint. To actively mitigate GHG emissions, the Group has implemented the following measures:

- Conduct regular vehicle inspections and maintenance to improve efficiency.
- Turn off vehicle engines while idling.
- Replace substandard vehicles with hybrid or petrol-driven alternatives.
- Utilise teleconferencing or video meetings to minimise non-essential business air travel.

Wastes Reduction Initiatives and Targets

The Group strictly abides by the national laws and complies with the requirements of the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste and the National Catalogue of Hazardous Wastes in handling both hazardous and non-hazardous waste. Internally, the Group has established various waste management and reduction measures.

The Group advocates for waste reduction at the source and implements the 3R waste management strategy to minimise both hazardous and non-hazardous waste generation. This approach emphasises reducing, reusing, and recycling materials before disposal, aiming for a goal of "zero harmless waste." To enhance waste reduction performance, the Group actively works to reduce single-use disposable items and recycle office and electronic equipment at the end of their life cycles.

The primary hazardous waste generated by the Group's wind farms consists of used lubricating grease and associated containers. Lubricating grease is essential for turbine unit operation. To manage this hazardous waste effectively, the Group has established strict measures to prevent leakage and ensure proper handling. Technicians conduct regular inspections, cleaning, and repairs of the turbine units, adding lubricating grease according to original factory maintenance guidelines to minimise waste. Additionally, the Group has set up specialised warehouses for the secure storage of hazardous waste and ensures that chemical waste is properly classified, packed, and labelled before being transported for disposal. A qualified contractor is appointed to manage the recycling and disposal of materials contaminated with lubricant oil, in compliance with relevant laws and regulations.

Use of Resources

The Group aims to reduce the environmental impact of its operations by identifying and implementing measures to enhance energy and resource efficiency. We are committed to integrating the principles of resource conservation and environmental protection into our business practices. This commitment includes effectively utilising resources, minimising waste, and controlling waste generation in our business and production processes to achieve resource optimisation, promote environmental protection, and reduce operating costs.

The primary resources consumed by the Group include electricity and water, particularly at the Hongsong wind farm. We aim to improve the efficiency of our natural resource utilisation to achieve low-carbon practices and reduce emissions.

Energy conservation

The Group has adopted the following energy saving measures in the workplace:

- Encourage natural lighting in the offices in order to reduce power consumption for lighting during the daytime;
- Maintain air-conditioned room temperature between 24°C and 26°C in the office;
- Switch off idle office equipment, such as computer displays and printers at the end of the working day;
- Review the energy consumption of the Group and improve the energy-saving plan continuously.

Water Use Efficiency

The Group strives to increase its water use efficiency and ensures its operations comply with the relevant laws and regulations for the effective use of water. The following water use efficiency measures are implemented:

- Promote the concept of water consumption among employees and strengthen the maintenance, inspection and management of water-consuming equipment for water conservation;
- Pay attention to the efficient use of water resources and carry out effective management from both awareness and practice perspectives;
- Promote employee awareness of water conservation by putting up posters and signs, striving to achieve "turn off water when you leave";
- Regular inspection of water pipes and related equipment, and handle drips and leaks timely; and
- Review the water consumption of the Group and improve the water-saving plan continuously.

Energy and Water Consumption

The details of energy and water consumption were as follows:

	Unit	2024	2023
Energy sources			
Petrol	MWh	631.05	617.26
Diesel	MWh	410.30	475.64
Electricity	MWh	2,447.18	1,823.12
Total energy consumption	**MWh**	**3,488.53**	**2,916.02**
Energy consumption intensity	MWh/GWh of power generated	4.86	3.83
Water consumption	M^3	6,909	6,932
Water consumption intensity	M^3/GWh of power generated	9.62	9.10

Note: Conversion factors were made reference to IEA Energy Statistics Manual and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

No issues on sourcing water that is fit for purpose were reported.

Packaging Material

The Group did not consume any packaging materials during the Reporting Period.

The Environment and Natural Resources

The Group recognises its responsibility to minimise adverse impacts on the environment and natural resources through our daily operations. We continuously strive to improve and review the environmental measures to achieve optimal performance in GHG emissions and waste reduction over the long term.

During the construction and operation of wind farms, the Group has implemented various environmental protection measures. We acknowledge that the development and operation of wind farms can negatively impact the ecological environment and the nearby areas, potentially leading to issues such as noise pollution and land and marine space usage. We conduct thorough assessments of the ecological value of the site, and the impact on surrounding areas before the site selection and construction. We ensure that all constructions receive the necessary environmental assessment approvals from regulatory authorities and comply with national environmental protection policies.

The Group also adheres to operational requirements, national laws, and regulations to minimise potential environmental impacts while maximising the benefits of clean wind power.

Additionally, the Group promotes green procurement strategies by prioritising the use of energy-efficient refrigerators and electrical equipment. We utilise environmentally friendly materials, such as reusable ink cartridges, recycled paper, and second-hand furniture, to avoid excessive resource consumption.

Environmental targets

The Group strives to review and improve waste reduction measures continuously to maintain waste reduction efficiency in the long term. Table below summarises our environmental targets and achievements:

Target	Performance in 2021	Performance in 2024	Achievement
To reduce the total GHG emissions intensity by 5% by 2025, with 2021 as the base year	3.88 tCO_2e/GWh of power generated	2.54 tCO_2e/GWh of power generated	Decrease 34.5%
To reduce non-hazardous wastes intensity by 5% by 2025, with 2021 as the base year	32.20 kg/GWh of power generated	33.91 kg/GWh of power generated	Increase 5.3%
To reduce hazardous wastes intensity by 5% by 2025, with 2021 as the base year	0.016 tonne/GWh of power generated	0.014 tonne/GWh of power generated	Decrease 12.5%
To reduce water consumption intensity by 5% by 2025, with 2021 as the base year	9.52 m^3/GWh of power generated	9.62 m^3/GWh of power generated	Increase 1.1%

Climate Change

Governance of Climate-related Risks Management

The Board is focused on managing the risks associated with climate change by integrating climate-related issues into the corporate governance process. This includes improving board-level supervision and guiding management in addressing climate risks within existing business operations and overall strategy.

Climate-related risk management has been incorporated into the Group's risk management system. The Board is responsible for monitoring the effectiveness of this management approach, discussing and reporting on relevant measures during Board meetings, and formulating emergency plans based on identified risks. This proactive strategy aims to strengthen the Group's ability to respond to the negative impacts of extreme weather conditions while ensuring normal production and operations, as well as maintaining the safety of public security and the well-being of employees.

Climate-related Risks Management

An ESG risk assessment has been conducted, evaluating the likelihood and impact of each identified risk. These risks are categorised into three levels: high, moderate, and low, based on their probability and potential impact ratings.

The warming planet presents a wide range of risks for businesses, including disrupted supply chains, rising insurance costs, and labour challenges. As the threat of climate change intensifies — alongside physical damage, changing market perceptions, and a shift in public preferences toward more environmentally friendly products and services — the financial, reputational, and strategic implications are becoming increasingly significant.

Climate change will undoubtedly remain a pressing concern for the Group and the industry as a whole in the foreseeable future. The Group has identified climate-related risks and opportunities through the use of a comprehensive matrix.

Risk levels	Definition of the overall risk levels
High	Risks at this level may have serious consequences. There will highly likely be some impacts on the Group and hindrances to the Group achieving its strategic goals.
Moderate	Risks at this level may have serious consequences, but they are less likely to occur. Conversely, the consequences could be minor in nature, but the probability of occurrence is higher.
Low	Risks at this level have limited harm and consequences for the Group in achieving its strategic goals, and the probability of occurrence is low.

Climate-related Risk	Time Horizon	Potential financial impacts	Risk level	Trend
		Physical risks		
Extreme weather	Short term	Extreme weather events, such as typhoons, storm surges and rainstorms, may cause physical damage to infrastructure, and failure of technology and equipment incur costs on recovery and repair. Recovery and repair can take months or even years.	Moderate	Increase
	Long term	The Group's capacity and productivity will be reduced under extreme weather events, which will lead to a direct negative impact on the Group's revenue.		Increase

Climate-related Risk	Time Horizon	Potential financial impacts	Risk level	Trend
		Transition Risks		
Tightening of climate related policies	Long term	Tightened environmental policies increase the cost of fulfilling such requirements. It might also raise operating costs, insurance costs, and penalties for noncompliance, such as changing policies, which may increase the costs of handling hazardous wastes.	Low	Increase
Cost to transition to lower emissions technology	Long term	Substitution of existing technology and equipment with lower emissions or resource-saving options to comply with the new energy and sustainability standards incur investment and maintenance costs.	Low	Increase
Changing customer behaviour	Medium term	A change in customer or user behaviour and preferences leads to a loss in customer and income if there is a failure to meet stakeholders' expectations on climate risk management and goals.	Low	Increase
Reputation Risk	Medium term	The change in customer or user preferences may increase the chance of receiving negative stakeholder feedback about the existing logistic services. It may affect the reputation of the Group.	Low	Increase

Measures to cope with the climate-related physical and transition risks

1. During extreme weather events, employees are advised to remain in a safe place until it is safe to resume normal activities. The Group continues to enhance internal awareness and training for the Group's professionals regarding climate risk so that the ability of the Group to cope with the negative impacts of extreme weather can be strengthened.

2. The Group has established mitigation plans, including flexible working arrangements and precautionary measures such as regular inspection of office premises.

3. The Group maintains comprehensive insurance coverage for assets that are prone to damage by extreme weather conditions in order to minimise the potential maintenance and repair costs required.

4. The Group adopts industry best practices according to the potential climate-related risks identified, which aims to improve energy efficiency throughout the Group's operation. All internal professionals and frontline staff are encouraged to focus on the daily procedure to achieve the objective of climate change mitigation.

5. The Group regularly researches stakeholders' preferences on climate-related performance and disclosure and ensures transparent communication with stakeholders.

6. The Group monitors any changes in laws, regulations and global trends on climate change constantly to avoid cost increments, non-compliance fines and reputational risks due to delayed response.

Opportunity

While there are climate-related risks that the business of the Group is vulnerable to in general, the Group continuously explores opportunities brought about by climate change. With the increasing market preference for environmentally friendly products and services, it is believed that expanding the Group's business is an opportunity to meet the market expectation as the Group's business nature is generating renewable wind power.

SOCIAL

The Group's achievement over the business performance is largely rooted in the recruitment, retention of talents and the relative training for staff members. The Group recognises the importance of attracting and retaining talents are constructive for the Group to remain competitive. The Group's talent management policy covers the expansion of the recruitment platform, providing attractive remuneration packages and benefits, facilitating employee training and career development and promoting employees' work-life balance, aiming to become the "best employer". Meanwhile, the Group strives to create a safe, inclusive and caring work environment. The human resources committee will review and improve employment-related policies and ensure they comply with local laws and regulations. The Group also ensures employment practices are aligned with the set of legal requirements and industrial standards.

Employment and labour practices

The Group strictly complies with national and local laws and regulations concerning employment and Labour practices, including but not limited to:

- Labour Law of the PRC;
- Labour Contract Law of the PRC;
- Law on the Protection of Minors; and
- Law on the Protection of Disabled Persons.

No non-compliance with relevant laws and regulations that had a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

Employee Profile and Turnover

As of 31 December 2024, the Group have 149 employees with the details as follow:

	Number of employees	Staff turnover rate
Employment type		
Full time	149	1.3%
Part time	0	0%
Employee category		
Senior management	13	0%
Mid-level management	21	0%
Operating staff	115	1.7%
Age Group		
18–25	3	0%
26–35	37	5.4%
36–45	83	0%
46–55	22	0%
56 or above	4	0%
Gender		
Male	117	0.9%
Female	32	3.1%
Region		
PRC	130	0%
Hong Kong	19	10.5%

Inclusive Workplace

The Group is committed to creating a working environment of mutual respect, harmonious inclusiveness and safety. Non-discrimination and diversification are important to its management and operation planning. The Group's Employee Handbook has clearly stated the anti-discrimination guidelines and principles of equal opportunities, stipulating that all employees are provided with equal opportunities, regardless of their race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation.

The Group has adopted diversity and non-discriminatory policies to ensure that each job applicant is entitled to his or her respective rights. Employees are recruited according to the employment procedures and standards as stipulated in the Group's systems and laws and regulations relating to employment and labour practices.

Any employee who is intimidated, humiliated, bullied or harassed, including sexual harassment, may report to the management representative or the general manager, and the complaints will be filed. The Group will take serious actions to resolve these problems after receiving the complaints.

The Group has zero tolerance for any form of harassment, intimidation, bias and discrimination on the grounds of age, gender, disability, religion, family status and obligations, race and colour.

Employees Communication

The Group believes that the cohesion between the Group and its employees serves as an important driver for its business development. Therefore, the Group uses electronic channels and notice boards to announce the latest information to employees regularly, and employees can express their suggestions freely in any communication channel.

Recruiting and Retaining Talents

In order to ensure sufficient qualified individuals are recruited for corporate development, the Group reviews its human resources demand regularly and discusses the issues of talent requirements with department heads. Furthermore, the Group emphasises conducting a fair and impartial appraisal of its employees' performance. In order to evaluate employee performance and provide an unbiased and reliable basis for remuneration decisions, education and training, promotion, reward and recognition, the Group has established Administrative Measures on Employee Performance.

Labour Contract Management

The Labour contracts Management Methods formulated by the Group comply with the national laws and regulations relating to labour practices, including but not limited to the Labour Law of the PRC and the Labour Contract Law of the PRC. The Labour contract management of the Group included signing and terminating labour contracts, regulating positions, working hours, remuneration, and clearly ensuring the Labour standards. Any overtime arrangement must be made under the principle of negotiation between the company and the employees and the employees' voluntary principle. The Group performs retirement formalities and dismissal procedures for employees who have reached the statutory retirement age in accordance with the relevant laws and regulations. The Group does not tolerate the dismissal of employees for any irrational reasons. In the event of a work-related accident, the Group will make reasonable compensation. During the Reporting Period, the Group complied with employment-related laws and regulations.

Employee Treatment

The Group has developed a comprehensive salary review mechanism. In order to provide employees with fair and competitive compensation packages, The Group consider the research findings for a salary review in the job market in addition to business performance, employee duties, and their annual performance appraisals.

The attendance management system has been formulated in accordance with relevant national regulations to ensure that the employees' working routine is operated systematically. This system is utilised to reinforce labour discipline, improve labour efficiency, and protect employees' right to rest periods and vacations.

The Group has developed employee welfare policies in compliance with PRC Labor Law and standards stipulated by the Ministry of Human Resources and Social Security. In accordance with laws and regulations, the Group offers five social insurance and one housing fund for its employees in the PRC. These five social insurances are endowment insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident fund. During the Reporting Period, each employee receives appropriate remuneration with sufficient compensation for rest periods, vacation, sickness, injury and occupational diseases, as well as childbirth benefit and death compensation. Duration and remuneration levels for periods of medical treatment, pregnancy, childbirth, and lactation all comply with relevant laws and regulations.

Employee Health and Safety

The Group cares about the health, safety, and security of all the staff and strives to protect the physical and mental health and safety of employees.

The Group has established the Work Safety Supervision System and assigned dedicated staff to manage occupational health and safety issues, ensuring effective supervision of work safety. To reduce the incidence of work-related accidents, the Group conducts regular meetings to discuss environmental, safety, and health issues, as well as to review the effectiveness of its occupational health and safety systems.

The Safety Hazard Screening System is employed to identify accident risks in the Group's workplaces and equipment. Occupational health and safety issues are addressed in compliance with applicable national laws.

The Group has formulated the Labour Protection System to effectively safeguard the safety and health of its employees. Protective equipment, including safety helmets, insulated boots, and dust masks, is provided in accordance with work safety legislation to further mitigate the risk of work-related accidents.

Additionally, the Group organised various occupational health and safety training programs during the reporting period to enhance health and safety awareness among employees and contractors. The Safety Education and Training System includes unified planning, management, graded implementation, classification guidance, and safety training, all aligned with state regulations for the electrical power industry and other relevant guidelines.

The Group aims to arrange regular health and safety training for employees based on the principle of "training before work begins" and has incorporated safety training into its annual training program.

The data of the Group's work-related injuries and fatalities during the Reporting Period and the past two reporting periods is as follows:

	2024	2023	2022
The number of work-related fatalities	0	0	0
Work-related fatality rate	0%	0%	0%
Lost days due to work-related injury	0	0	0

Compliance status

The Group strictly complies with the relevant laws and regulations, including but not limited to:

- Labour Law of the PRC;
- Law of the PRC on the Prevention and Treatment of Occupational Diseases; and
- Fire Protection Law of the PRC.

Development and Training

The Group is committed to the growth and development of its employees, providing skills improvement and development training tailored to different job roles and positions. To ensure that employee training is organised systematically, the Group has established relevant training policies to guarantee that all employees possess the essential knowledge and abilities. These policies also encourage participation in professional certification and evaluation.

The Group organises orientation training to help new employees adapt to the working environment and integrate into the Group's culture more quickly. Additionally, a mentorship program involving veteran employees has been implemented to guide new employees in their daily tasks. Through this program, veteran employees share their expertise and skills related to job roles, operational safety procedures, and relevant experiences, which helps new employees achieve greater job satisfaction and success.

Employees may also attend external training courses approved by their department heads and can apply for reimbursement of training expenses.

As of 31 December 2024, staff in Hongsong and head office had provided over 1,993 training hours to a total of 80 employees. The average training hours per employee was 24.91 hours. The number of employees who received training and average training hours completed are as follows.

	Average training hours attended	Percentage of staff attended training
Gender		
Male	28.28	55.6%
Female	10.3	46.9%
Employee category		
Operating staff	30.9	53.0%
Mid-level management	4.4	66.7%
Senior management	9.4	38.5%

Labour Standards

Child and forced labour are strictly prohibited within the Group. We adhere to all applicable laws and regulations regarding employment and labour standards, including the Labour Law of the PRC, the Provisions on Prohibiting the Use of Child Labour, the Labour Contract Law of the PRC, and the Law on the Protection of Minors.

The Group only recruits employees who are above the legal working age, and new hires are required to provide accurate personal information. Background checks are conducted during the recruitment process to verify the identity of potential employees. Should any violations be discovered, disciplinary actions will be taken as necessary. The Group regularly reviews its employment practices to prevent child and forced labour.

Employment contracts clearly specify working hours, deliverables, job descriptions, and labour protection measures, ensuring that employees commence their work with full awareness and agreement. The Group prohibits all forms of forced labour and exploitation, ensuring that all employees work voluntarily. The recruitment process is fair and voluntary; any recruitment conducted through coercion or fraudulent means is strictly prohibited.

During the reporting period, no non-compliance with laws and regulations pertaining to the prevention of child and forced labour was identified. There were no significant risks associated with incidents of child or forced labour at the Group's operational sites, and no child or forced labour was employed within the Group.

Supply Chain Management

The Group collaborates with its suppliers to mitigate the environmental and social impacts of its business operations. A comprehensive assessment system has been established to ensure adherence to social responsibility standards. Approved suppliers and subcontractors are verified annually for the quality of their services and products, safety and environmental performance, labour standards, and financial stability. Priority is given to suppliers that provide eco-friendly and recyclable products.

The Group employs a thorough supplier selection process, which includes comparing supplier prices against those of other suppliers and external benchmarks. In addition to price comparisons, background checks are performed to assess the validity of licenses, certificates, and proof of support before engaging suppliers. To promote social responsibility within the supply chain, the reputation and track record of suppliers in environmental management and social responsibility are also considered.

To comply with national laws and regulations, the Group conducts open tendering for relevant projects, such as civil engineering and wind turbine orders, through commissioned agents. For non-tender purchases, quotations are requested from at least three suppliers or service providers and evaluated by relevant departments and management before confirming the winning bid and proceeding with the bid opening.

The Group maintains strong partnerships with suppliers to minimise carbon footprints in procurement processes. During the reporting period, Hongsong engaged with 46 material and equipment suppliers and 19 service providers, all based in Mainland China.

Product Responsibility

Quality Control and Assurance

Hongsong provides electricity to the state power grid, and a stable power supply is crucial to our operations and the overall reliability of energy services in the region. The electric power system incorporates automatic detection functionality, ensuring that all supplied power meets established standards. These standards include permissible deviations in supply voltage, frequency for power systems, three-phase voltage unbalance factors, voltage fluctuations and flicker, harmonics in the public supply network, and temporary and transient overvoltage.

The Group promptly addresses serious issues based on feedback from the power grid and provides adjustment reports when necessary, ensuring that only products meeting quality and technical requirements are delivered to customers. The quality of the Group's supply conforms to the standards and key indicators set by the National Standardization Technical Committee on Voltages, Current Ratings, and Frequencies, as well as the following national standards:

- Permissible Deviation of Supply Voltage (GB12325–1990)
- Permissible Deviation of Frequency for Power Systems (GB/T15945–199)
- Permissible Three-Phase Voltage Unbalance Factor (GB/T15543–199)
- Permissible Voltage Fluctuation and Flicker (GB12326–1990)
- Harmonics in Public Supply Network (GB/T14549–1993)
- Demands of Temporary and Transient Overvoltage of Electrical Equipment Used in the Power System, Insulation Level of Electrical Equipment, and Overvoltage Protection Methods (GB/T18481–2001)

To ensure that produced products comply with industry and national safety standards, the Group conducts effective product testing. During the reporting period, there were no product recalls or service complaints related to health and safety. Since the Group does not manufacture any products, it is not applicable to disclose product recall procedures.

Customer Satisfaction

Hongsong operates as a dedicated electricity provider for the state power grid, focusing on delivering a reliable and stable power supply to meet the needs of this sole customer. Our operations prioritise customer satisfaction through continuous monitoring and optimisation of power delivery. We maintain open communication with the state power grid to promptly address any concerns or feedback, ensuring that our services align with their operational requirements. Regular assessments and adjustments are made to enhance the quality of our electricity supply, adhering to industry standards and regulations. By fostering a proactive relationship with the state power grid, we aim to ensure their satisfaction and the overall reliability of energy services in the region.

Data Protection

The Group acknowledges the importance of protecting the privacy and confidentiality of relevant stakeholders and prohibits the misuse of any personal information. The employment contract emphasises the critical importance of confidentiality among employees, stating that all workers are responsible for safeguarding sensitive information related to the company's operations. This includes personnel matters, contracts, customer data, statistical information, technical details, management strategies, and accounting records. Any breach of confidentiality, particularly regarding the company's operational and confidential information or violations of the Group's intellectual property rights, may result in immediate termination.

During the reporting period, no cases of non-compliance related to confidentiality, privacy, or data protection were recorded that would have had a significant impact on the Group. We will continue to adhere to the relevant laws and regulations, such as the Personal Data (Privacy) Ordinance.

Product Labelling and Advertising

The Group does not rely heavily on marketing and advertising; instead, the official website serves as an introduction to the Group's operations and governance structures. To avoid any misleading information, we continuously review and update the content on the website to ensure that it is accurate and appropriate for use.

Intellectual Property Rights

The Group places great importance on the protection of intellectual property rights. To ensure that only safe and genuine computer software and systems are installed, any unauthorised installation of software is strictly prohibited.

Compliance status

In order to ensure the stability and reliability of services, the protection of intellectual property rights and data protection, the Group complies with the following laws and regulations, including but not limited to:

- Trademark Law of the PRC;
- Patent Law of the PRC;
- Law of the PRC on the Protection of Consumer Rights and Interests;
- Product Quality Law of the PRC; and
- Advertising Law of the PRC.

There was no non-compliance with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress in the Reporting Period.

Anti-corruption

Whistle-blowing Policy

The Group is committed to the highest standards of openness and accountability, as well as the prevention, detection, and reporting of fraud. A whistle-blowing policy has been established to allow employees and stakeholders to voice their concerns about suspected fraudulent activities. Whistle-blowers can report their concerns anonymously via mail, email, or telephone. All received reports will be investigated, and the details of reported cases will be handled confidentially. The Group recognises the importance of protecting whistle-blowers during the reporting and investigation processes and prohibits any unlawful discrimination, retaliation, or hostile actions against investigators and whistle-blowers.

Anti-corruption training

To strengthen awareness of anti-corruption in the workplace, the Group conducts effective communication and training to ensure employees understand the concepts outlined in the code of conduct and can identify legal versus illegal actions, as well as ethical versus dishonest behaviour. During the reporting period, the reading material "Anti-corruption Programme: A Guide for Listed Companies," published by ICAC, was shared with all directors. Additionally, the Group prepared anti-corruption materials to disseminate relevant knowledge among employees.

Compliance status

The Group regards honesty, integrity, and fairness as its core values and strictly complies with relevant national laws and regulations, including but not limited to:

- Criminal Law of the PRC;
- Company Law of the PRC;
- Anti-Money Laundering Law of the PRC; and
- Law Against Unfair Competition of the PRC.

During this reporting period, the Group had no incidents of non-compliance related to bribery, extortion, fraud, or money laundering. Anti-corruption measures are implemented in accordance with all relevant laws and regulations. The Group has established an internal code of business ethics, which guides interactions with stakeholders to ensure proper conduct in all aspects of operations. This code outlines policies, practices, and rules regarding gifts, entertainment, transactions, and financial management. Additionally, the Group requires employees to avoid excessively lavish or frequent hospitality with business partners to prevent any deliberate enticement or inappropriate expectations of reciprocation.

Community Investment

During the reporting period, the Group actively engaged with the community, believing that participation in these activities fosters positive values in helping people and society. The Group collaborated with community organisations that share similar values aligned with its corporate responsibility, making significant efforts to address the needs of the local community.

The Group's contributions were primarily focused on supporting local community needs. Employees voluntarily participated in a community cleaning campaign organised by local authorities in the PRC, during which the Group provided cleaning supplies to assist with the effort.

LINKSFIELD
CPA LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CHINA RUIFENG RENEWABLE ENERGY HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of China Ruifeng Renewable Energy Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 87 to 191, which comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matters identified in our audit are summarised as follows:

— impairment on property, plant and equipment; and

— assessment of the expected credit losses ("**ECL**") on other receivables.

Key Audit Matters	How our audit addressed the Key Audit Matters
Impairment on property, plant and equipment Refer to Note 4(a) and Note 16 to the consolidated financial statements for related disclosure. The Group recorded property, plant and equipment of approximately RMB1,092,034,000 as at 31 December 2024, of which construction in progress ("**CIP**") amounted to approximately RMB36,810,000 represented a wind farm construction project in Baotou City of Inner Mongolia. Management performs assessment whenever events or changes in circumstances indicate that the carrying amounts of property, plant and equipment may not be recoverable. In carrying out the impairment assessment, management identified and determined cash-generating units ("**CGUs**") and performed the assessment for individual CGUs as required by HKAS 36 "Impairment of assets". The construction of a wind farm project in Baotou City of Inner Mongolia under CIP ("**Baotou Project**") was suspended since 2021 due to the supplier was in financial difficulties and failed to deliver certain machineries and equipment for the construction in Baotou. This represented an impairment indicator within that CGU. Management conducted the impairment assessment for the relevant CGU by determining the recoverable amount based on the higher of fair value less cost of disposal ("**FVLCD**") derived from market search and value-in-use ("**VIU**") calculation using the discounted cash flows forecast ("**DCF**").	We performed the following procedures to address the key audit matter: • Obtained an understanding of and evaluated the management's internal controls over the determination of individual CGUs, the identification of relevant CGU having impairment indicators and preparation of the cash flow forecasts and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud; • Evaluated the appropriateness of management's assessment process on CGUs determination and impairment indicator identification by: – Enquiring management on their basis of identifying impairment indicators; and – Challenging the judgments made in the identification of impairment indicators; • Tested management's impairment assessment of property, plant and equipment by assessing the DCF used in the calculation as set out below: – Comparing the key input data in management's DCF to the budget and the business plan approved by senior management; and – Assessing the methodology adopted and the mathematical accuracy of the underlying DCF calculation;

Key Audit Matters

Preparation of DCF required the use of many assumptions, and management exercised significant judgments in determining these assumptions and estimates with the assistance of an independent external valuer. Key assumptions and estimates adopted and judgment exercise in the preparation of the DCF included:

- Revenue growth rates; and
- Pre-tax discount rate.

Based on the results of management's impairment assessment, no impairment loss on property, plant and equipment of that CGU was recognised for the year ended 31 December 2024.

We focused on this area due to the magnitude of the relevant balance, the higher degree of estimation uncertainty and subjectivity in management's judgment involved to determine the recoverable amount of property, plant and equipment.

How our audit addressed the Key Audit Matters

- Involved our internal valuation specialist in our discussion with the external valuer and management to understand the rationale and assess the appropriateness and consistency of the methodology used and the inputs, assumptions and estimates adopted in the valuation by (i) examining the underlying financial information; and (ii) assessing the key parameters used, such as revenue growth rates, terminal growth rates and pre-tax discount rate, against available market information;
- Assessed the competence, capabilities and objectivity of the independent external valuer; and
- Assessed management's sensitivity analysis on the key assumptions, to consider the extent to which adverse changes, would result in property, plant and equipment being impaired and discussed with management the likelihood of such change in the key assumption arising.

Based on the procedures performed, we found the significant judgments and assumptions made by management to identify whether any impairment indicators existed for any of property, plant and equipment and determine the recoverable amounts of property, plant and equipment to be supported by available evidence.

Key Audit Matters	How our audit addressed the Key Audit Matters
Assessment of the ECL on other receivables Refer to Note 3.1(b), Note 4(b) and Note 24 to the consolidated financial statements for related disclosure. As at 31 December 2024, the Group had net carrying amounts of other receivables of approximately RMB343,075,000 (after provision of approximately RMB327,553,000), representing approximately 13.8% of the Group's total assets. The Group applies the general approach in HKFRS 9 to measure the ECL of other receivables. Management assessed the ECL based on estimation about risk of default, expected loss rates and whether there has been any significant increase in credit risk since initial recognition for other receivables. The Group used judgment in making these assumptions and selecting the inputs to the impairment calculation, including the credit loss experience, historical settlement records, internal credit ratings, financial positions, relationships with debtors and other factors that impacted their abilities of repayment. Management also took into account of existing market conditions and forward looking information. We focused on this area due to the magnitude of the relevant balances and the complexity of models and subjectivity of significant assumptions and data used in the estimation of expected credit losses.	We performed the following procedures to address the key audit matter: • Obtained an understanding of management's internal control and assessment process of the ECL of other receivables and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity of models and subjectivity of significant assumptions and data used; • Evaluated the Group's policy for estimating the ECL allowance with reference to the requirements of the prevailing accounting standard; • Tested, on a sample basis, the historical and subsequent settlement by checking to the bank slips to assess the effectiveness of management's estimation process; • Assessed the key assumptions and data used in management's estimate of expected credit loss by agreeing information to relevant supporting documents; • Checked the mathematical accuracy of the calculation of impairment provision of other receivables; • Challenged management's estimation of the risk of default and ECL rate referencing to the debtors' credit information including settlement records, their financial positions and ability of repayment and collaborated management's explanations with publicly available information and supporting evidence; and • Evaluated the appropriateness of the forward looking information with reference to our industry knowledge and relevant published macroeconomic data. We found the models, significant assumptions and data applied by management in the assessment of the ECL on other receivables were supported by available evidence.

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, 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.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Kwok Chi Kan.

Linksfield CPA Limited
Certified Public Accountants
Kwok Chi Kan
Practising Certificate Number: P06958

Hong Kong, 31 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 *RMB'000*	2023 *RMB'000*
Revenue	*6*	**336,274**	343,811
Cost of sales	*9*	**(217,108)**	(217,849)
Gross profit		**119,166**	125,962
Interest income		**7,530**	9,236
Other income	*7*	**17,880**	23,171
Other gains, net	*8*	**1,598**	4,517
Administrative expenses	*9*	**(86,136)**	(65,916)
Provision for expected credit losses on other receivables	*24*	**(28,681)**	(24,872)
Operating profit		**31,357**	72,098
Finance costs	*11*	**(132,318)**	(142,755)
Share of losses of associates	*18*	**(22)**	(547)
Share of profits of joint ventures	*19*	**23**	1
Loss before income tax		**(100,960)**	(71,203)
Income tax expense	*12*	**(24,817)**	(23,570)
Loss for the year		**(125,777)**	(94,773)
(Loss)/profit for the year attributable to:			
— the owners of the Company		**(132,517)**	(108,955)
— non-controlling interests		**6,740**	14,182
		(125,777)	(94,773)
Loss per share attributable to the owners of the Company (in RMB)			
Basic	*13*	**(0.079)**	(0.099)
Diluted	*13*	**(0.079)**	(0.099)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Loss for the year		**(125,777)**	(94,773)
Other comprehensive (loss)/income			
Item that may be reclassified to profit or loss:			
Exchange difference arising on translation of financial statements of foreign operations outside the People's Republic of China (the "**PRC**")		**(24,016)**	(17,689)
Item that may not be reclassified to profit or loss:			
Exchange difference arising on translation of financial statements of the Company		**8,658**	2,817
Change in fair value of financial assets at fair value through other comprehensive income	21	**(22,391)**	(5,421)
Other comprehensive loss for the year, net of tax		**(37,749)**	(20,293)
Total comprehensive loss for the year		**(163,526)**	(115,066)
Total comprehensive (loss)/income for the year attributable to:			
— the owners of the Company		**(170,003)**	(127,243)
— non-controlling interests		**6,477**	12,177
		(163,526)	(115,066)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	**1,092,034**	744,622
Right-of-use assets	17	**59,078**	16,082
Interests in associates	18	**1,467**	1,489
Interests in joint ventures	19	**3,084**	3,061
Financial assets at fair value through other comprehensive income	21	**59,429**	27,370
Financial assets at fair value through profit or loss	22	**2,300**	3,324
Prepayments and other receivables	24	**414,636**	161,776
		1,632,028	957,724
Current assets			
Inventories	23	**89**	—
Trade and other receivables	24	**601,642**	520,211
Financial assets at fair value through profit or loss	22	**1,043**	2,022
Cash and cash equivalents	25	**244,609**	385,512
		847,383	907,745
Total assets		**2,479,411**	1,865,469
EQUITY			
(Deficit)/equity attributable to the owners of the Company			
Share capital	27	**77,424**	75,057
Reserves	28	**(214,037)**	(64,306)
		(136,613)	10,751
Non-controlling interests		**223,282**	201,237
Total equity		**86,669**	211,988

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	17	**342**	1,073
Borrowings	31	**1,288,855**	1,238,293
Deferred income tax liabilities	26	**3,611**	5,827
		1,292,808	1,245,193
Current liabilities			
Trade and other payables	30	**293,662**	107,713
Borrowings	31	**787,772**	281,242
Lease liabilities	17	**2,740**	3,752
Current income tax liabilities		**15,760**	15,581
		1,099,934	408,288
Total liabilities		**2,392,742**	1,653,481
Total equity and liabilities		**2,479,411**	1,865,469
Net current (liabilities)/assets		**(252,551)**	499,457

The consolidated financial statements on pages 87 to 191 were approved by the Board of Directors on 31 March 2025 and were signed on its behalf.

Yuan Wanyong
Chairman

Zhang Zhixiang
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to equity shareholders of the Company											
	Share capital *RMB'000*	Share premium *RMB'000*	Statutory reserves *RMB'000*	Translation reserve *RMB'000*	Convertible bonds reserve *RMB'000*	Fair value reserve *RMB'000*	Share options reserve *RMB'000*	Warrants reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2023	17,884	1,502,189	93,030	(165)	29,654	4,656	10,300	13,366	(1,744,817)	(73,903)	189,060	115,157
Comprehensive loss												
(Loss)/profit for the year	–	–	–	–	–	–	–	–	(108,955)	(108,955)	14,182	(94,773)
Other comprehensive (loss)/ income												
Exchange difference arising on translation of foreign operations	–	–	–	(14,872)	–	–	–	–	–	(14,872)	–	(14,872)
Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	(3,416)	–	–	–	(3,416)	(2,005)	(5,421)
Total comprehensive (loss)/ income for the year	–	–	–	(14,872)	–	(3,416)	–	–	(108,955)	(127,243)	12,177	(115,066)
Transactions with owners												
Transfer to statutory reserves	–	–	6,469	–	–	–	–	–	(6,469)	–	–	–
Issuance of shares under rights issues, net of expenses *(Note 27)*	54,323	140,196	–	–	–	–	–	–	–	194,519	–	194,519
Issuance of convertible bonds	–	–	–	–	5,672	–	–	–	–	5,672	–	5,672
Conversion of convertible bonds	2,850	14,528	–	–	(5,672)	–	–	–	–	11,706	–	11,706
Lapse of non-listed warrants *(Note 29(b))*	–	–	–	–	–	–	–	(13,366)	13,366	–	–	–
Lapse of share options *(Note 29(a))*	–	–	–	–	–	–	(458)	–	458	–	–	–
At 31 December 2023	75,057	1,656,913	99,499	(15,037)	29,654	1,240	9,842	–	(1,846,417)	10,751	201,237	211,988

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to equity shareholders of the Company										
	Share capital *RMB'000*	Share premium *RMB'000*	Statutory reserves *RMB'000*	Translation reserve *RMB'000*	Convertible bonds reserve *RMB'000*	Fair value reserve *RMB'000*	Share options reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2024	75,057	1,656,913	99,499	(15,037)	29,654	1,240	9,842	(1,846,417)	10,751	201,237	211,988
Comprehensive loss											
(Loss)/profit for the year	—	—	—	—	—	—	—	(132,517)	(132,517)	6,740	(125,777)
Other comprehensive (loss)/income											
Exchange difference arising on translation of foreign operations	—	—	—	(15,358)	—	—	—	—	(15,358)	—	(15,358)
Change in fair value of financial assets at fair value through other comprehensive income	—	—	—	—	—	(22,128)	—	—	(22,128)	(263)	(22,391)
Total comprehensive (loss)/income for the year	—	—	—	(15,358)	—	(22,128)	—	(132,517)	(170,003)	6,477	(163,526)
Transactions with owners											
Transfer to statutory reserves	—	—	6,434	—	—	—	—	(6,434)	—	—	—
Deemed acquisition of additional interest in a subsidiary *(Note 34 (b))*	—	—	—	—	—	—	—	(209)	(209)	209	—
Acquisition of additional interests in subsidiaries *(Note 34 (c))*	—	—	—	—	—	—	—	(3,000)	(3,000)	3,000	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	(17,641)	(17,641)
Exercise of share options *(Note 29(a))*	2,367	23,481	—	—	—	—	(9,767)	9,767	25,848	—	25,848
Acquisition of a subsidiary *(Note 34 (a))*	—	—	—	—	—	—	—	—	—	30,000	30,000
At 31 December 2024	77,424	1,680,394	105,933	(30,395)	29,654	(20,888)	75	(1,978,810)	(136,613)	223,282	86,669

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	32(a)	136,796	139,899
The PRC corporate income tax paid		(27,438)	(13,658)
Net cash generated from operating activities		109,358	126,241
Cash flows from investing activities			
Deposits received in respect of the construction of energy storage power station		130,000	—
Advances to non-controlling interest		—	(12,028)
Payments for property, plant and equipment		(748,784)	(3,553)
Proceeds on disposal of property, plant and equipment		14	72
Net cash outflow arising on disposal of subsidiaries	35	(739)	—
Settlement of payable for acquisition of a subsidiary		(100)	(864)
Decrease in prepayments for investments		—	2,250
(Increase)/decrease in loan receivables		(14,623)	15,646
Payment for acquisition of subsidiaries, net of cash acquired	34(a)	(23,175)	—
Acquisition of equity interest in a joint venture		—	(3,060)
Interest received		7,530	9,236
Net cash (used in)/generated from investing activities		(649,877)	7,699
Cash flows from financing activities			
Advances from an associate		963	681
Proceeds from exercise of share options	29(a)	24,269	—
Proceeds from issuance of shares under rights issues	27	—	195,565
Payments of transaction costs on issue of rights shares	27	—	(1,046)
Proceeds from convertible bonds	32(b)	—	16,950
Proceeds from new bank loans and other loans	32(b)	694,982	25,437
Proceeds from loans from related parties	32(b)	—	3,351
Proceeds from bonds	32(b)	—	2,724
Repayment of notes payables	32(b)	(3,756)	(56,298)
Repayment of bank loans and other loans	32(b)	(191,804)	(181,089)
Repayment of bonds	32(b)	(14,965)	(34,456)
Principal elements of lease payments	32(b)	(5,222)	(3,460)
Interest elements of lease payments	32(b)	(260)	(289)
Other borrowing costs paid	32(b)	(98,214)	(127,988)
Dividend paid to non-controlling interests		(7,314)	(10,080)
Net cash generated from/(used in) financing activities		398,679	(169,998)
Net decrease cash and cash equivalents		(141,840)	(36,058)
Cash and cash equivalents at the beginning of the year		385,512	420,843
Effect of foreign exchange rate changes		937	727
Cash and cash equivalents at the end of the year	25	244,609	385,512

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

China Ruifeng Renewable Energy Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 23 June 2005 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands.

The Company's registered office is at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is Room 2801–2804, 28/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 9 June 2006. The Company and its subsidiaries are together referred to as the Group hereinafter.

The Company is an investment holding company of the Group. The Group is principally engaged in wind farm operations and energy storage power station operations.

These consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("**HKAS**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income, which is carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

(a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards, improvements and interpretation for the first time for their annual reporting period commencing 1 January 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current (amendments)
HKAS 1 (Amendments)	Non-current liabilities with Covenants (amendments)
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback (amendments)
HK Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements (amendments)

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards and interpretations not yet adopted

The following new and amended standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 21 and HKFRS 1	Lack of Exchangeability (amendments)	1 January 2025
HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments (amendments)	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 January 2027
HK Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

(b) New and amended standards and interpretations not yet adopted *(Continued)*

In July 2024, HKICPA issued HKFRS 18 which is effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, which a focus on information about financial performance present in the statement of profit or loss and other comprehensive income, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The Group is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

Expect from the above, the directors of the Company have assessed the financial impact on the Group of the adoption of the above new and amended standards and interpretations. These new and amended standards and interpretations are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transaction. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the requirements. The Group intends to adopt the above new and amended standards and interpretations when they become effective.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

(c) Going concern

As at 31 December 2024, the Group's current liabilities exceeded its current assets by approximately RMB252,551,000, and it had incurred a net loss of approximately RMB125,777,000 for the year then ended.

The directors of the Company have reviewed the Group's cash flow projections prepared by managements. The cash flow projections cover a period of not less than twelve months from 31 December 2024 taking into consideration the following plans and measures:

(i) In March 2025, Filled Converge Limited ("**Filled Converge**"), the convertible bondholder of the Company has agreed to offer an extension of the maturity date of the convertible bonds, with aggregate amounts of approximately RMB397,011,000 (equivalent to approximately HK$422,487,000) as at 31 December 2024, to June 2026;

(ii) In March 2025, the Group entered into a supplemental agreement with a bank in which the schedule of repayment of the bank loans of approximately RMB672,385,000 as at 31 December 2024 was amended. The bank loans to be repaid in 2025 will be reduced from approximately RMB132,760,000 to approximately RMB67,760,000 accordingly;

(iii) In March 2025, a creditor has given an undertaking not to demand for repayment of the Group's other payables of approximately RMB41,300,000 until 30 June 2026; and

(iv) As at 31 December 2024, the Group had obtained other loans of approximately RMB862,408,000 from a financial leasing company. The Group will draw down remaining unutilised loan facilities amount of approximately RMB400,000,000 as and when needed.

In the opinion of the directors of the Company, in light of the above plans and measures, the Group will have sufficient working capital to fulfill its financial obligations as and when they fall due in the coming twelve months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3 FINANCIAL AND CAPITAL RISK MANAGEMENT

The Group's activities expose it to market risk (including price risk, foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the analysis, evaluation, acceptance and monitoring of such risks which are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effect on the Group's financial performance.

3.1 Financial risk factors

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of the Group's financial assets at fair value through profit or loss will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or factors affecting all instruments in the market.

The Group held listed equity investments, which can be affected by fluctuations in share price and is exposed to other price risk on share price of the listed investments.

If the stock price of the listed equity investments had been 5% (2023: 5%) higher/lower, loss for the year would have decreased/increased by approximately RMB52,000 (2023: approximately RMB101,000).

For unlisted equity investments, in arriving at the fair value of the financial assets at fair value through profit or loss and at fair value through other comprehensive income, the Group may use valuation techniques which require the estimation of key variables. Details of the valuation method and the sensitivity analysis for the possible impact given a reasonable shift in the key variable are set out in Note 3.3.

(ii) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions, recognised assets or liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group mainly operates in Hong Kong and the PRC. The majority of the transactions at each location are settled in the respective functional currencies, namely HK$ and RMB. The directors are of the opinion that the Group does not have significant foreign exchange risk, the exposure to fluctuation in exchange rates will only arise from the translation to the presentation currency of the Group. Accordingly, no sensitivity analysis is performed.

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(a) ***Market risk*** *(continued)*

(ii) Foreign exchange risk (continued)

Management closely monitors foreign currency exchange exposure and will take measures to minimise the currency translation risk. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposure. The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure as management considers its exposure is not significant.

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises primarily from the Group's bank deposits and borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group does not use financial derivatives to hedge against the interest rate risk.

If interest rate of variable-rate borrowings had been 100 (2023: 100) basis points higher/lower and all other variable were held constant, the Group's loss for the year would have increased/decreased by approximately RMB11,511,000 (2023: approximately RMB7,686,000).

(b) ***Credit risk***

Credit risk arises if a customer or other counterparty fails to meet its contractual obligations. The credit risk of the Group mainly arises from cash at banks and trade and other receivables.

Impairment of Financial Assets

The Group has three types of assets that are subject to the ECL model:

— Cash at banks;

— Trade receivables; and

— Other receivables.

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

Impairment of Financial Assets (continued)

(i) Cash at banks

The cash at banks of the Group are mainly placed with state-owned financial institutions and reputable banks. Therefore, the ECL rate of cash at banks is assessed to be immaterial and no provision was made as at 31 December 2024 and 2023.

(ii) Trade receivables

As at 31 December 2024 and 2023, the Group has concentration of credit risk as approximately 94% and 99%, respectively, of its trade receivables were due from the Group's largest customer, which was a state-owned power grid company.

The trade receivables mainly represent receivables from the power grid company. The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance for trade receivables on a collective group basis based on different credit risk characteristics and the days past due. The management assessed the ECL based on historical credit loss experience, adjusted for factors that are specific to the debtors, historical settlement records, the general economic conditions, the existing market conditions and forward-looking information.

	Unbilled	Within 90 days past due	More than three months but within one year	More than one year	Total
At 31 December 2024					
Weighted average expected loss rate	**0%**	**0%**	**0%**	**63%**	
Receivable amount *(RMB'000)*	**195,845**	**57,495**	**2,111**	**3,233**	**258,684**
Loss allowance *(RMB'000)*	**—**	**—**	**—**	**(2,030)**	**(2,030)**
	195,845	**57,495**	**2,111**	**1,203**	**256,654**
At 31 December 2023					
Weighted average expected loss rate	0%	0%	0%	100%	
Receivable amount *(RMB'000)*	165,403	30,600	—	2,030	198,033
Loss allowance *(RMB'000)*	—	—	—	(2,030)	(2,030)
	165,403	30,600	—	—	196,003

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

Impairment of Financial Assets (continued)

(ii) Trade receivables *(continued)*

The Group's trade receivables are mainly due from the power grid company. The Group have no significant credit risk with the power grid company as the Group maintain long-term and stable business relationships with the power grid company. Given the track record of settlements of trade receivables from sales of electricity and the collection of tariff adjustment are well supported by the government policy, the management are of the opinion that these trade receivables are fully recoverable considering that there is no bad debt experience with this power grid company in the past and the tariff adjustment is funded by the PRC government authorities will be settled in accordance with prevailing government policies and prevalent payment trends of Ministry of Finance, and hence, the risk of default by this customer is not significant and the Group do not expect any losses from non-performance by this customer. Therefore, as at 31 December 2024, save for the trade receivables from the customers who are not the power grid company with the gross amount of approximately RMB15,662,000 (2023: approximately RMB3,236,000), ECL rate of trade receivables from the power grid company is assessed to be close to zero and no provision was made for the year ended 31 December 2024 (2023: Nil). Besides, other than approximately RMB2,030,000 which were previously recognised, the ECL rate of the trade receivables from the customers who are not the power grid company is assessed to be immaterial and no provision was made as at 31 December 2024 and 2023 as the Group maintain stable business relationships with these customers.

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

Impairment of Financial Assets (continued)

(iii) Other receivables

Other receivables include other receivables, loan receivables, amount due from an associate and amount due from a non-controlling interest. In order to minimise the credit risk, the Group has a credit policy for assessing the impairment on other receivables and the exposures to these credit risks are monitored on an ongoing basis. The Group has applied the general approach in accordance with HKFRS 9 to measure the loss allowance for other receivables. The Group assessed the ECL based on estimation about risk of default and expected loss rates, and judgment was used in making these assumptions and selecting the inputs to the impairment calculation, including the credit loss experience, historical settlement records, internal credit ratings, financial positions, relationships with debtors and other factors that impacted their ability of repayment. The management also took into account of existing market conditions and forward-looking information.

- Other receivables that are not credit-impaired on initial recognition are classified in "Stage 1" and have their credit risk continuously monitored by the Group. The ECLs is measured on 12-month basis.

- If a significant increase in credit risk (specifically, when the debtor is more than 30 days past due on its contractual payments) since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The ECLs loss is measured on lifetime basis.

- If the financial instrument is credit-impaired (specifically, when there is evidence indicating the debtor is in severe financial difficulty or it is probable that the debtor will enter bankruptcy or other financial reorganisation), the financial instrument is then moved to "Stage 3". The ECLs is measured on lifetime basis.

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

Impairment of Financial Assets (continued)

(iii) Other receivables *(continued)*

The receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. The balances of loss allowance in respect of these individually assessed receivables as follows:

	Other receivables *RMB'000*	Loan receivables *RMB'000*	Amount due from an associate *RMB'000*	Total *RMB'000*
As at 1 January 2023	186,967	64,921	29,187	281,075
Increase in the allowance recognised in consolidated statement of profit or loss during the year	23,183	1,689	—	24,872
Write off	(9,981)	—	—	(9,981)
Exchange realignment	1,258	32	—	1,290
As at 31 December 2023 and 1 January 2024	**201,427**	**66,642**	**29,187**	**297,256**
Increase in the allowance recognised in consolidated statement of profit or loss during the year	**14,097**	**14,584**	**—**	**28,681**
Disposal of subsidiaries	**(1)**	**—**	**—**	**(1)**
Exchange realignment	**1,577**	**40**	**—**	**1,617**
As at 31 December 2024	**217,100**	**81,266**	**29,187**	**327,553**

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) Credit risk (continued)

Impairment of Financial Assets (continued)

(iii) Other receivables *(continued)*

As at 31 December 2024, certain other receivables with the gross carrying amount of approximately RMB176,508,000 (2023: approximately RMB168,987,000) were credit-impaired because there were default of payments from the counterparties. Such receivables were assessed for ECL individually and measured at lifetime ECL. An impairment loss of approximately RMB5,197,000 (2023: approximately RMB1,484,000) was recognised for the year ended 31 December 2024.

As at 31 December 2024, certain other receivables with the gross carrying amount of approximately RMB110,882,000 (2023: approximately RMB112,145,000) were assessed individually and measured at lifetime ECL and the Group has recognised impairment charge of approximately RMB8,299,000 during the year ended 31 December 2024 (2023: approximately RMB22,020,000). Management considers there is a significant increase in credit risk on these balances.

The remaining other receivables are separately assessed. Management considers that the credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate, adjusted by current and forward looking information. The impairment charges on the remaining other receivables of approximately RMB601,000 are based on the 12-month ECL for the year ended 31 December 2024 (2023: the reversal of impairment charges on the remaining other receivables approximately RMB321,000).

As at 31 December 2024, certain loan receivables with the gross carrying amount of approximately RMB39,558,000 (2023: approximately RMB32,250,000) were credit-impaired because there were default of payments from the counterparties for years and the counterparties were in financial difficulties. Such receivables were assessed for ECL individually and measured at lifetime ECL. An impairment loss of approximately RMB5,863,000 (2023: the reversal of impairment charge of approximately RMB200,000) was recognised for the year ended 31 December 2024.

As at 31 December 2024, certain loan receivables with the gross carrying amount of approximately RMB159,760,000 (2023: approximately RMB183,620,000) were assessed individually and measured at lifetime ECL and the Group has recognised impairment charge of approximately RMB8,720,000 during the year ended 31 December 2024 (2023: an impairment charge of approximately RMB2,191,000). Management considers there is a significant increase in credit risk on these balances.

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(b) ***Credit risk*** *(continued)*

Impairment of Financial Assets (continued)

(iii) Other receivables *(continued)*

The remaining loan receivables are separately assessed. Management considers that the credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate, adjusted by current and forward looking information. The impairment charges on the remaining loan receivables of approximately RMB1,000 are based on the 12-month ECL for the year ended 31 December 2024 (2023: the reversal of impairment charges on the remaining loan receivables approximately RMB302,000).

As at 31 December 2024, the amount due from an associate, were due from Shenzhen Qianhai Jeifeng Financing and Leasing Limited with the gross carrying amount of approximately RMB29,187,000 (2023: approximately RMB29,187,000) were credit-impaired because the associate was in financial difficulties. Such receivables were assessed for ECL individually and measured at lifetime ECL.

During the year ended 31 December 2024, none of the other receivables and loan receivables had been written off the entire amount (during the year ended 31 December 2023: the Group considered the other receivables and loan receivables approximately RMB9,981,000 and nil, respectively which were fully impaired in the previous years, are not recoverable and had written off the entire amounts).

(c) ***Liquidity risk***

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to board approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.1 Financial risk factors *(continued)*

(c) ***Liquidity risk*** *(continued)*

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year or on demand *RMB'000*	Between 1 to 2 years *RMB'000*	Between 2 to 5 years *RMB'000*	More than 5 years *RMB'000*	Total contractual undiscounted cash flow *RMB'000*	Total carrying amount *RMB'000*
As at 31 December 2024						
Trade and other payables	**291,192**	**—**	**—**	**—**	**291,192**	**291,192**
Bank loans, secured	**153,254**	**146,462**	**414,078**	**19,437**	**733,231**	**673,605**
Bonds	**131,063**	**8,735**	**—**	**—**	**139,798**	**105,988**
Notes payables	**4,145**	**—**	**—**	**—**	**4,145**	**4,145**
Convertible bonds	**419,423**	**—**	**—**	**—**	**419,423**	**397,011**
Other loans	**199,470**	**186,293**	**418,338**	**280,904**	**1,085,005**	**891,408**
Loans from related parties	**4,470**	**—**	**—**	**—**	**4,470**	**4,470**
Lease liabilities	**2,813**	**345**	**—**	**—**	**3,158**	**3,082**
	1,205,830	**341,835**	**832,416**	**300,341**	**2,680,422**	**2,370,901**
As at 31 December 2023						
Trade and other payables	107,713	—	—	—	107,713	107,713
Bank loans, secured	405	405	1,012	—	1,822	1,433
Bonds	82,908	31,912	—	—	114,820	109,360
Notes payables	7,749	—	—	—	7,749	7,749
Convertible bonds	32,674	388,691	—	—	421,365	336,723
Other loans	251,102	173,372	443,844	397,821	1,266,139	1,059,800
Loans from related parties	1,000	3,470	—	—	4,470	4,470
Lease liabilities	3,912	1,087	—	—	4,999	4,825
	487,463	598,937	444,856	397,821	1,929,077	1,632,073

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The management regularly reviews and manages the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt as it sees fit and appropriate. During the year ended 31 December 2024, the Group's strategy remained unchanged from 2023.

The Group monitors its capital structure by reviewing its net debt-to-equity ratio and cash flow requirements, taking into account its future financial obligations and commitments. The gearing ratios at 31 December 2024 and 2023 were as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Borrowings:		
Current portion	**787,772**	281,242
Non-current portion	**1,288,855**	1,238,293
Total borrowings *(Note 31)*	**2,076,627**	1,519,535
Less: cash and cash equivalents *(Note 25)*	**(244,609)**	(385,512)
Net debt	**1,832,018**	1,134,023
Total equity	**86,669**	211,988
Gearing ratio	**2,114%**	535%

The gearing ratio increased from approximately 535% as at 31 December 2023 to approximately 2,114% as at 31 December 2024 as a result of the decrease in total equity and the increase in bank loans of approximately RMB672,000,000.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2024 and 2023.

As at 31 December 2024	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Financial assets at fair value through other comprehensive income:				
— unlisted investments	—	—	59,429	59,429
Financial assets at fair value through profit or loss:				
— listed investments	1,043	—	—	1,043
— unlisted investment	—	—	2,300	2,300
	1,043	—	61,729	62,772

As at 31 December 2023	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
Financial assets at fair value through other comprehensive income:				
— unlisted investment	—	—	27,370	27,370
Financial assets at fair value through profit or loss:				
— listed investments	2,022	—	—	2,022
— unlisted investment	—	—	3,324	3,324
	2,022	—	30,694	32,716

There was no transfer of financial assets and liabilities between the fair value hierarchy classification during the year ended 31 December 2024 (2023: same).

The carrying amounts of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate to their fair values. The fair value for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant.

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

The Group's other assets and liabilities are carried at amortised cost, and their carrying values are a reasonable approximation of their fair values.

Reconciliation for financial instruments carried at fair value based on significant unobservable input (level 3) are as follows:

Financial assets at fair value through other comprehensive income

	2024 *RMB'000*	2023 *RMB'000*
Opening balance	27,370	12,791
Additions	54,450	20,000
Fair value changes recognised in other comprehensive income	(22,391)	(5,421)
Closing balance	59,429	27,370
Unrealised loss recognised in the consolidated statement of other comprehensive income attributable to balance at the end of the reporting period	(22,391)	(5,421)

Financial assets at fair value through profit or loss

	2024 *RMB'000*	2023 *RMB'000*
Opening balance	3,324	4,260
Fair value changes recognised in profit or loss	(1,024)	(936)
Closing balance	2,300	3,324
Unrealised loss recognised in the consolidated statement of profit or loss attributable to balance at the end of the reporting period	(1,024)	(936)

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.3 Fair value estimation *(continued)*

The table below sets out information about significant inputs used at year end in measuring financial instruments categorised as level 3 in the fair value hierarchy.

As at 31 December 2024

				Sensitivity on estimate	
	Exposure *RMB'000*	Valuation techniques	Significant unobservable input	Estimate	Impact *RMB'000*
Unlisted equity investments at fair value through other comprehensive income	4,979	Market approach	Earnings before interest, taxes, depreciation, and amortisation ("EBITDA")	+5%/5%	540/(540)
	54,450	Market approach	Price-to-book multiple	+5%/5%	2,714/(2,714)
Unlisted equity investment at fair value through profit or loss	2,300	Market approach	Revenue	+5%/5%	165/(165)

As at 31 December 2023

				Sensitivity on estimate	
	Exposure *RMB'000*	Valuation techniques	Significant unobservable input	Estimate	Impact *RMB'000*
Unlisted equity investments at fair value through other comprehensive income	5,884	Market approach	EBITDA	+5%/- 5%	603/(603)
	21,486 *(Note)*	Market approach	Probability that a proposed business combination will be consummated	+5%/- 5%	3,225/(3,225)
Unlisted equity investment at fair value through profit or loss	3,324	Market approach	Revenue	+5%/- 5%	205/(205)

Note:

In view of the investments' business situation, the management considered that there was financial difficulties and no future economic prospect in the business and hence considered the fair value of the unlisted equity investments at fair value through other comprehensive income to be nil for as at 31 December 2024.

3 FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)*

3.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying values:

— Trade receivables
— Other receivables
— Cash and cash equivalents
— Trade and other payables
— Borrowings
— Lease liabilities

3.5 Offsetting financial assets and financial liabilities

No material financial assets and financial liabilities were subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2024 and 2023.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of property, plant and equipment

Property, plant and equipment with finite useful lives are stated at costs less accumulated depreciation and impairment, if any. Where an impairment indicator exists, the recoverable amount of the asset is determined. The recoverable amount of a cash-generating unit ("**CGU**") is determined based on the higher of fair value less cost of disposal ("**FVLCD**") and value-in-use ("**VIU**") models. The methodologies are based upon a number of key estimates and other information, both internal and external, including (i) the revenue growth rate; (ii) the terminal growth rates; and (iii) pre-tax discount rates used in VIU model. These calculations require the use of estimates. Changing the assumptions selected by the Group to determine the level, if any, of impairment, including the pre-tax discount rate or the growth rate assumptions, could significantly affect the Group's reported financial position and results of operations. The key assumptions used are set out in Note 16.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(Continued)*

(b) Impairment of other receivables

The Group makes provision for impairment of other receivables based on assumptions about risk of default and the ECL rates (Note 3.1(b)). The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the date of the statement of financial position.

(c) Useful lives of property, plant and equipment

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

(d) Income tax and deferred tax

Significant judgment is required in determining the provision for income and deferred tax. There are many transactions and calculations for which the ultimate determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the current tax and deferred tax assets and liabilities in the period in which such determination is made. Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(e) Valuation of the fair value of certain financial assets

The fair value of financial instruments, including financial assets measured at fair value through other comprehensive income (Level 3) (Note 21) and measured at fair value through profit or loss (Level 3) (Note 22) and are established by using valuation techniques. Selection of appropriate valuation parameters, assumptions and modelling techniques require management estimates and judgment. Management estimates and assumptions are reviewed periodically and are adjusted if necessary. Should any of the estimates and assumptions change, it may lead to a change in the fair value of these financial instruments.

5 SEGMENT INFORMATION

The Group's chief operating decision maker, which has been identified as the Board of Directors, consider the segment from a business perspective and monitor the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

During the year ended 31 December 2024, the Group had one (2023: one) reportable operating segment, which was using wind turbine blades to generate electricity power in the PRC. Since this is the only operating segment of the Group, no further operating segment analysis thereof is presented.

Geographic Information

(a) Revenue from external customers

The Group's revenue from external customers by geographical area, which is determined by the location where the services were provided. The Group's revenue is all generated from the PRC.

(b) Non-current assets

The Group's non-current assets other than deposits for other loans, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss by geographic area is as follows:

	2024	2023
	RMB'000	*RMB'000*
Hong Kong	**5,548**	4,322
The PRC	**1,536,751**	894,708
	1,542,299	899,030

Key Customers

For the year ended 31 December 2024, there was one customer (2023: one) which individually contributed over 10% (2023: 10%) of the Group's total revenue, the revenue contributed from this customer was as follows:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**319,451**	342,708

6 REVENUE

Revenue from contracts with customers within the scope of HKFRS 15, is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Recognised at a point in time:		
— Sales of electricity	234,020	251,163
— Tariff adjustment	85,431	91,581
— Sales of mechanical and electrical equipment	4,937	1,067
— Sales of petroleum coke	3,708	—
	328,096	343,811
Recognised over time:		
— Construction services	8,178	—
	336,274	343,811

Revenue mainly represents the electricity sales to a local grid company in the PRC for the years ended 31 December 2024 and 2023.

For sales of electricity, the Group generally entered into power purchase agreements with the local grid company which stipulate the price of electricity per watt hour. Revenue is recognised when control of the electricity has transferred, being at the point when electricity has generated and transmitted to the customers.

Generally, the receivables are due within 30 days from the date of billing, except for the tariff adjustment. The collection of such tariff adjustment is subject to the allocation of funds by relevant government authorities to the local grid company.

The financial resource for the tariff adjustment is the national renewable energy fund that accumulated through a special levy on the consumption of electricity of end users. The PRC government is responsible to collect and allocate the fund to the state-owned local grid company for settlement to the wind power company.

Tariff adjustment is recognised as revenue and due from the grid company in the PRC in accordance with the relevant power purchase agreements.

6 REVENUE *(continued)*

Accounting policies of revenue recognition

Revenue is recognised when or as the control of the goods or service is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

Revenue is recognised when a performance obligation is satisfied by transferring control of the promised products or services to a customer in an amount that reflects the consideration expected to be collected in exchange for those products or services. The revenue recognition of the Group is determined through the following five steps:

(i) Identification of the contract, or contracts, with a customer;

(ii) Identification of the performance obligations in the contract;

(iii) Determination of the transaction price;

(iv) Allocation of the transaction price to the performance obligations in the contract;

(v) Recognition of revenue when, or as, a performance obligation is satisfied.

At contract inception, it is performed that the assessment and the identification of a performance obligation for each promise to transfer to the customer a product or a service (or bundle of products or services) that is distinct. To identify the performance obligations, the Group considers all the products and services promised in the contract with the customer based on the Group's customary business practices, published policies, or specific statements.

Sales of electricity and tariff adjustments

Revenue from sales of electricity and tariff adjustment is recognised at a point in time when the generated electricity is delivered to the offtakers. Revenue from these sales is recognised based on the price specified in the power purchase agreements. The electricity generation will be confirmed with the offtakers regularly, therefore, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur.

Revenue from sales of electricity is based on the respective on-grid electricity rates. Tariff adjustment represents subsidies received and receivable from the grid company pursuant to prevailing government policy in respect of the Group's renewable energy projects. Tariff adjustment is recognised at a point in time at fair value where there is a reasonable assurance that the tariff adjustment will be received and the Group will comply with all attached conditions, if any.

Revenue from tariff adjustment is based on the difference between the feed-in-tariff regime implemented by the PRC government for the provision of subsidies to the wind power plant operators in the PRC and the revenue from sales of electricity.

6 REVENUE *(Continued)*

Accounting policies of revenue recognition *(Continued)*

Sales of mechanical and electrical equipment and petroleum coke

Sales are recognised when control of the mechanical and electrical equipment and petroleum coke has transferred, being when the mechanical and electrical equipment and petroleum coke are delivered to the customers, the customer has accepted the products and there is no unfulfilled obligation that could affect the customer's acceptance of the mechanical and electrical equipment and petroleum coke.

A receivable is recognised when the mechanical and electrical equipment and petroleum coke are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. No credit term is provided to the customers.

Construction services

Revenue from the construction service is recognised over the period that services are rendered and the Group's performance provide all the benefits received and consumed simultaneously by the customers.

A contract liability is recognised when a customer pays deposits in advance, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. The Group recognised its contract liabilities in the consolidated statement of financial position.

7 OTHER INCOME

	2024 *RMB'000*	2023 *RMB'000*
Government subsidy income related to value-added tax refund *(Note (i))*	14,213	20,005
Other government subsidy income *(Note (i))*	81	252
Rental income from operating leases	3,119	2,509
Others	467	405
	17,880	23,171

Note:

(i) There are no unfulfilled conditions and other contingencies attached to the receipts of these subsidies.

8 OTHER GAINS, NET

	2024	2023
	RMB'000	*RMB'000*
Gain on disposal of subsidiaries *(Note 35)*	**4,031**	—
Loss on disposal of property, plant and equipment	**(56)**	(104)
Fair value loss on financial assets at fair value through profit or loss *(Note 22)*	**(2,468)**	(256)
Net foreign exchange gains	**45**	74
Waiver of other loans interest payables	**—**	4,803
Waiver of bond interest payables	**46**	—
	1,598	4,517

9 EXPENSES BY NATURE

	2024	2023
	RMB'000	*RMB'000*
Auditor's remuneration		
— Audit services	**1,256**	1,367
— Non-audit services	**272**	651
Depreciation of property, plant and equipment *(Note 16)*	**129,406**	137,767
Depreciation of right-of-use assets *(Note 17)*	**7,252**	5,319
Employee benefit costs, including directors' emoluments *(Note 10)*	**51,541**	44,382
Legal and professional fees	**18,180**	8,844
Repair and maintenance expenses	**36,283**	41,402
Consumable expenses	**33,998**	21,408
Others	**25,056**	22,625
Total cost of sales and administrative expenses	**303,244**	283,765

10 EMPLOYEE BENEFIT COSTS, INCLUDING DIRECTORS' EMOLUMENTS

	2024	2023
	RMB'000	*RMB'000*
Salaries, allowances, and benefits in kind	**45,360**	39,011
Contribution to defined contribution plans	**6,181**	5,371
	51,541	44,382

10 EMPLOYEE BENEFIT COSTS, INCLUDING DIRECTORS' EMOLUMENTS *(continued)*

(a) Benefits and interest of directors

(i) Directors' emoluments

The remuneration of directors for each of the years ended 31 December 2024 and 2023 are set out below:

	Fees *RMB'000*	Salaries, allowances, and benefits in kind *RMB'000*	Discretionary bonuses *RMB'000*	Contribution to defined contribution plans *RMB'000*	Total *RMB'000*
For the year ended 31 December 2024					
Executive directors					
Mr. Yuan Wanyong	—	1,103	—	19	1,122
Mr. Zhang Zhixiang ("**Mr. Zhang**")	—	2,428	660	16	3,104
Mr. Ning Zhongzhi	—	789	40	—	829
Independent non-executive directors					
Mr. Jiang Senlin	138	—	—	—	138
Mr. Qu Weidong	138	—	—	—	138
Ms. Hu Xiaolin	138	—	—	—	138
	414	4,320	700	35	5,469
For the year ended 31 December 2023					
Executive directors					
Mr. Yuan Wanyong (appointed on 8 June 2023)	—	623	—	—	623
Mr. Zhang	—	2,399	660	16	3,075
Mr. Ning Zhongzhi	—	789	40	—	829
Mr. Li Tian Hai (resigned on 1 June 2023)	—	439	—	7	446
Mr. Peng Ziwei (resigned on 1 June 2023)	—	263	—	7	270
Independent non-executive directors					
Mr. Jiang Senlin	135	—	—	—	135
Mr. Qu Weidong	135	—	—	—	135
Ms. Hu Xiaolin	135	—	—	—	135
	405	4,513	700	30	5,648

10 EMPLOYEE BENEFIT COSTS, INCLUDING DIRECTORS' EMOLUMENTS *(continued)*

(a) Benefits and interest of directors *(continued)*

(i) Directors' emoluments *(continued)*

The remunerations shown above represent remunerations received from the Company and subsidiaries of the Company by these directors in their capacity as employees to the Company and no directors waived any emolument during the year ended 31 December 2024 (2023: Nil).

No emoluments were paid by the subsidiaries of the Company to the directors as an inducement to join the subsidiaries of the Company, or as compensation for loss of office during the year ended 31 December 2024 (2023: Nil).

(ii) Directors' retirement and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the year ended 31 December 2024 (2023: Nil).

No payment was made to the directors as compensation for early termination of the appointment during the year ended 31 December 2024 (2023: Nil).

(iii) Consideration provided to third parties for making available directors' services

The Company did not pay consideration to any third parties for making available directors' services for the year ended 31 December 2024 (2023: Nil).

(iv) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2024, there were no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2023: Nil).

(v) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in the Note 33, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or any of the subsidiaries of the Company was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2024 (2023: Nil).

10 EMPLOYEE BENEFIT COSTS, INCLUDING DIRECTORS' EMOLUMENTS *(continued)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include two directors respectively, whose emoluments were reflected in the analysis presented in Note 10(a) during the year ended 31 December 2024 (2023: two). The emoluments paid/payable to the remaining include three individuals (2023: three) are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Salaries, allowances and benefits in kind	**3,247**	3,780
Contribution to defined contribution plans	**317**	413
	3,564	4,193

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
Emolument band		
Nil to HK$1,000,000	**—**	—
HK$1,000,001–HK$1,500,000	**3**	1
HK$1,500,001–HK$2,000,000	**—**	2
	3	3

During the year ended 31 December 2024, no emoluments have been paid by the Group to the directors or the five highest paid individuals mentioned above as an inducement to join or upon joining the Group, or as compensation for loss of office (2023: Nil).

10 EMPLOYEE BENEFIT COSTS, INCLUDING DIRECTORS' EMOLUMENTS *(continued)*

(b) Five highest paid individuals *(continued)*

Accounting policies of employee benefits

(i) Retirement benefit costs

Payments to the state-managed retirement benefit scheme or the Mandatory Provident Fund Scheme are recognised as expense when employee have rendered services entitling them to the contributions.

The employees of the Group are members of state-managed retirement benefit scheme operated by the PRC government or members of the Mandatory Provident Fund Scheme in Hong Kong. The Group are required to contribute a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the schemes.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the consolidated statement of financial position date.

10 EMPLOYEE BENEFIT COSTS, INCLUDING DIRECTORS' EMOLUMENTS *(continued)*

(b) Five highest paid individuals *(continued)*

Accounting policies of employee benefits *(continued)*

(iii) Share-based compensation

The Group operates an employee share options scheme. Information relating to the employee share options scheme is set out in Note 29. The fair value of the share options granted under the share options scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the share options granted:

- including any market performance conditions (for example, the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit and loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(iv) Termination benefit

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

11 FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest expense on bank loans and other loans	**59,857**	71,348
Interest expense on bonds	**8,541**	10,073
Interest expense on convertible bonds *(Note 31)*	**63,660**	58,017
Interest expense on notes payables	**—**	3,028
Interest expense on lease liabilities *(Note 17)*	**260**	289
	132,318	142,755

12 INCOME TAX EXPENSE

No provision of Hong Kong Profits Tax had been made as the Group's profit neither arises in, nor is derived from Hong Kong during the year (2023: Nil).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands (2023: Nil).

The applicable income tax rate to the Group's PRC subsidiaries is 25% in 2024 and 2023.

The Law of the PRC Enterprise Income Tax and the Implementation Regulations also impose a withholding tax at 5%–10%, unless reduced by a tax treaty or agreement, for dividends distributed by a PRC resident enterprise to its immediate holding company outside the PRC for earnings accumulated beginning on 1 January 2008.

An analysis of the income tax expense is as follows:

	2024	2023
	RMB'000	*RMB'000*
PRC Enterprise income tax		
Current year	**26,757**	26,969
Withholding tax	**860**	—
Deferred income tax *(Note 26)*	**(2,800)**	(3,399)
	24,817	23,570

12 INCOME TAX EXPENSE *(continued)*

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the tax rate of the PRC as follows:

	2024 *RMB'000*	2023 *RMB'000*
Loss before income tax	**(100,960)**	(71,203)
National tax on loss before income tax, calculation at the rates applicable to profits in PRC of 25%	**(25,240)**	(17,801)
Tax effect of non-taxable income	**(1,225)**	(2,418)
Tax effect of non-deductible expenses	**34,067**	30,186
Tax effect of tax losses not recognised	**9,619**	5,763
Tax effect of different tax jurisdictions	**6,738**	7,750
Tax effect on share of results of associates and joint ventures	**(2)**	90
Withholding tax	**860**	—
	24,817	23,570

Accounting policies of current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

12 INCOME TAX EXPENSE *(continued)*

Accounting policies of current and deferred income tax *(continued)*

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(iii) Investment allowances and similar tax incentives

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

13 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Loss attributable to the owners of the Company *(RMB'000)*	**(132,517)**	(108,955)
Weighted average number of ordinary shares in issue *(in thousands) (Note)*	**1,674,842**	1,100,066
Basic loss per share *(RMB)*	**(0.079)**	(0.099)

Note:

The weighted average number of ordinary shares for the year ended 31 December 2023 had been adjusted for the five-to-one share consolidation of the Company with effect on 6 July 2023 ("**Share Consolidation**") (Note 27) and the weighted average number of ordinary shares for the year ended 31 December 2023 had been adjusted and restated for the bonus element in the rights issue completed during the year ended 31 December 2023.

(b) Diluted loss per share

Diluted loss per share was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all dilutive potential ordinary shares. For the year ended 31 December 2024, the Group has two (2023: three) categories of potential ordinary shares: including convertible bonds and share options (2023: convertible bonds, share options and warrants).

The convertible bonds were assumed to have been converted into ordinary shares, and the net loss has been adjusted to eliminate the interest expenses and gain on redemption.

For the share options and warrants, a calculation has been done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options/warrants.

All convertible bonds and share options (2023: certain convertible bonds, share options and warrants) were not assumed to be converted/exercised as they would have an anti-dilutive impact to the loss attributable to the owners of the Company for the year ended 31 December 2024. Accordingly, diluted loss per share for the year ended 31 December 2024 is same as that of basic loss per share.

14 DIVIDENDS

No dividend has been declared or paid by the Company for the year ended 31 December 2024 (2023: Nil).

15 SUBSIDIARIES

Details of principal subsidiaries at 31 December 2024 are as follows. The class of shares held is ordinary unless otherwise stated.

Name of subsidiaries	Place/country of incorporation/ establishment	Place of operations	Particulars of issued and fully paid share capital/ registered capital	Equity interest held by the Group		Principal activities
				2024	2023	
Directly held by the Company:						
City Alliance Management Limited	British Virgin Islands (the "**BVI**")	Hong Kong ("**HK**")	US$1	100%	100%	Investment holding
Power Full Group Holdings Limited 富力集團控股有限公司	The BVI	HK	US$2	100%	100%	Investment holding
Leading Win Resources Limited 領達資源有限公司	The BVI	HK	US$1	100%	100%	Investment holding
Fortune View Alliance Limited	The BVI	HK	US$1	100%	100%	Investment holding
Hong Song Holdings Limited	The BVI	HK	US$1	100%	100%	Investment holding
Sino Renewable Energy Holdings Company Limited	The BVI	HK	US$1	100%	100%	Investment holding
Tycoon Gold Limited 享金有限公司	The BVI	HK	US$1	100%	100%	Investment holding

15 SUBSIDIARIES *(continued)*

Name of subsidiaries	Place/country of incorporation/ establishment	Place of operations	Particulars of issued and fully paid share capital/ registered capital	Equity interest held by the Group 2024	Equity interest held by the Group 2023	Principal activities
Indirectly held by the Company:						
Ferson Limited 緯建有限公司	HK	HK	HK$1	100%	100%	Management and administration services
Conway Holdings Limited 康威集團有限公司	HK	HK	HK$1	100%	100%	Investment holding
Beijing Chengrui Xianghai Renewable Energy Technology Co., Ltd.[1] 北京承瑞翔海新能源科技有限公司	The PRC	The PRC	Registered and paid up capital RMB100,000	100%	100%	Investment holding
Chengde Ruifeng Renewable Energy Windpower Equipment Co. Ltd. [2^] 承德瑞風新能源風電設備有限公司	The PRC	The PRC	Registered and paid up capital RMB30,000,000	100%	100%	Production of wind turbine blades and components
Chengde Beichen High New Technology Co., Ltd. [2^] 承德北辰高新科技有限公司	The PRC	The PRC	Registered and paid up capital RMB46,900,000	100%	100%	Investment holding
On Win Corporation Limited [^] 進盈有限公司	HK	HK	HK$1	100%	100%	Investment holding
Hebei Hongsong Renewable Energy Investment Co., Ltd. [2^] 河北紅松新能源投資有限公司	The PRC	The PRC	Registered and paid up capital RMB171,720,000	79.06%	79.06%	Investment holding
Hebei Hongsong Wind Power Co., Ltd.[3^] 河北紅松風力發電股份有限公司	The PRC	The PRC	Registered capital RMB910,000,000 and paid up capital RMB651,947,000	70.97%	70.97%	Wind farm operation
Chengde Hongsong Yun Wei Electrical and Equipment Installation Co., Ltd[2] 承德紅松運維機電設備安裝有限公司	The PRC	The PRC	Registered and paid up capital RMB3,000,000	79.06%	79.06%	Electrical and mechanical equipment maintenance

15 SUBSIDIARIES *(continued)*

Name of subsidiaries	Place/country of incorporation/ establishment	Place of operations	Particulars of issued and fully paid share capital/ registered capital	Equity interest held by the Group		Principal activities
				2024	2023	
Indirectly held by the Company: *(Continued)*						
Redwood Group Limited 紅松集團有限公司	HK	HK	HK$1	100%	100%	Investment holding
Yangzhou Qingzi Hydrogen Energy Technology Co. Ltd [2] 揚州氫子氫能源科技有限公司	The PRC	The PRC	Registered capital RMB28,000,000 and paid up capital RMB19,523,450	71.4%	71.4%	Hydrogen energy business
Asia Renewable Energy Company Limited 亞洲新生能源有限公司	HK	HK	HK$1	100%	100%	Investment holding
World Business Limited 環宇國際商務有限公司	HK	HK	HK$10,000	100%	100%	Investment holding
Zhuhai Dong Fang Renewable Energy Limited[1] 珠海東方新生能源有限公司	The PRC	The PRC	Registered and paid up capital RMB100,000	100%	100%	Investment holding
承德紅松風力發電諮詢服務有限公司[1]	The PRC	The PRC	Registered and paid up capital US$20,000	100%	100%	Investment holding
承德紅松新能源技術服務有限公司	The PRC	The PRC	Registered and paid up capital RMB30,000	100%	100%	Investment holding
北京銀風滙利投資有限公司[2]	The PRC	The PRC	Registered capital RMB360,000,000 and paid up capital RMB147,000,000	100%	100%	Investment holding
Baotou City Yinfeng Huili New Energy Investment Limited[2] 包頭市銀風滙利新能源投資有限公司	The PRC	The PRC	Registered and paid up capital RMB123,000,000	100%	100%	Wind farm operation
北京紅松創投科技發展有限公司[2]	The PRC	The PRC	Registered capital RMB9,000,000 and paid up capital RMB7,000,000	–	70.97%	Investment holding

15 SUBSIDIARIES *(continued)*

Name of subsidiaries	Place/country of incorporation/ establishment	Place of operations	Particulars of issued and fully paid share capital/ registered capital	Equity interest held by the Group 2024	Equity interest held by the Group 2023	Principal activities
Indirectly held by the Company: *(Continued)*						
Ruifeng Energy Technology Development Limited 瑞風能源科技發展有限公司	HK	HK	HK$10,000	100%	100%	Investment holding
紅松河北生物科技股份有限公司[2]	The PRC	The PRC	Registered capital RMB10,000,000 and paid up capital RMB6,700,000	83.97%	83.97%	Production of healthy products
Hongsong Renewable Energy (Dongying) Company Limited [2@] 紅松新能源(東營)有限公司	The PRC	The PRC	Registered capital RMB80,000,000 and paid up capital RMBNil	47.4%	47.4%	Development of renewable energy business
EBG Ruifeng (Hong Kong) Investment Limited	HK	HK	HK$100	100%	100%	Investment holding
EBG Ruifeng Energy Trading Limited	HK	HK	HK$100	100%	100%	Investment holding
Beijing Yong Chang Ruifeng Renewable Energy Technology Limited [1] 北京永昌瑞風新能源科技有限公司	The PRC	The PRC	Registered capital RMB50,000,000 and paid up capital RMBNil	100%	100%	Investment holding
河北瑞風能源科技有限公司[2@]	The PRC	The PRC	Registered capital RMB4,000,000 and paid up capital RMB1,000,000	—	49.68%	Installation and operation of electric vehicle charging piles
Golden Nice Holdings Limited	The United Kingdom (the "**UK**")	The UK	Great British Pound ("**GBP**")1	100%	100%	Investment holding
Jiujia Renewable Energy Investment (Guangzhou) Company Limited [2@] 九嘉新能源投資(廣州)有限公司	The PRC	The PRC	Registered capital RMB10,000,000 and paid up capital RMB10,000,000	47.44%	—	Investment holding

15 SUBSIDIARIES *(continued)*

Name of subsidiaries	Place/country of incorporation/ establishment	Place of operations	Particulars of issued and fully paid share capital/ registered capital	Equity interest held by the Group		Principal activities
				2024	2023	
Indirectly held by the Company: *(Continued)*						
Hebei Ruifeng Yunlian Digital Renewable Energy Company Limited [2@#] 河北瑞風雲聯數字新能源有限公司	The PRC	The PRC	Registered capital RMB280,000,000 and paid up capital RMB223,000,000	47.44%	—	Development of energy storage facilities and electricity generation
Beijing Ruifeng Yunlian Renewable Energy Company[2@] 北京瑞風雲聯新能源有限公司	The PRC	The PRC	Registered capital RMB10,000,000 and paid up capital RMBNil	47.44%	—	Power generation, transmission and distribution services
Chengde Ruiling Renewable Energy Development Limited [2] 承德睿嶺新能源發展有限公司	The PRC	The PRC	Registered capital RMB10,000,000 and paid up capital RMBNil	79.06%	—	Technological services of wind power generation
Chengde Xinkai Renewable Energy Development Limited[1] 承德瑞風新開新能源發展有限公司	The PRC	The PRC	Registered capital US$1,000,000 and paid up capital US$Nil	100%	—	Technological development of renewable energy
Beijing Zhongrui Chengfeng Renewable Energy Technology Company Limited [2] 北京中瑞承風新能源技術有限公司	The PRC	The PRC	Registered capital RMB1,000,000 and paid up capital RMBNil	100%	—	Technological development and services

1 wholly-owned foreign enterprise

2 private limited liability company

3 sino-foreign equity joint venture company

^ At 31 December 2024 and 2023, the issued shares/registered capital of these companies were pledged under shares charges to secure certain other loans of the Group (Note 31)

At 31 December 2024, the registered capital of this company was pledged under shares charges to secure certain bank loans of the Group (2023:Nil) (Note 31)

@ These subsidiaries are more than 50% owned by non-wholly owned subsidiaries of the Group and thus the effective interests are less than 50%. Although the Group owns not more than 50% of the effective equity interest in these entities, it is able to control more than 50% of the voting rights by non-wholly owned subsidiaries by virtue of the fact that majority of directors of these entities are elected by the Group and the boards of these entities are able to direct the activities of these entities which significantly affect the returns. The decisions are made by simple majority. It follows that the Group should consolidate these entities as subsidiaries in the Group's consolidated financial statements.

15 SUBSIDIARIES *(continued)*

The following table lists out the information relating to Hebei Hongsong Wind Power Co., Ltd, a subsidiary of the Group which has material non-controlling interests ("**NCIs**"). The summarised financial information for the years ended 31 December 2024 and 2023 presented below represents the post-acquisition amounts before any inter-company elimination:

	At 31 December 2024	At 31 December 2023
Proportion of ownership interests held by the Group	70.97%	70.97%
Proportion of ownership interests held by NCIs	29.03%	29.03%

	2024 *RMB'000*	2023 *RMB'000*
Current assets	1,282,409	1,305,900
Non-current assets	599,396	732,920
Current liabilities	(742,500)	(196,855)
Non-current liabilities	(174,630)	(873,192)
Net assets	964,675	968,773
Carrying amount of NCIs	266,863	261,369
Revenue	319,451	342,744
Profit for the year	62,003	58,394
Total comprehensive income	61,098	51,487
Total comprehensive income allocated to NCIs	17,737	14,948
Dividend to NCIs	(12,243)	—
Cash flows generated from operating activities	178,354	113,956
Cash flows generated from/(used in) investing activities	5,642	(1,663)
Cash flows used in financing activities	(279,266)	(204,956)

16 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Generators and related equipment RMB'000	Plant and machinery RMB'000	Equipment, furniture and fixtures RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2023								
Cost	52,180	—	2,316,657	5,125	12,314	4,416	98,569	2,489,261
Accumulated depreciation and impairment	(25,612)	—	(1,505,783)	(4,836)	(9,657)	(3,202)	(61,240)	(1,610,330)
Net book amount	26,568	—	810,874	289	2,657	1,214	37,329	878,931
Year ended 31 December 2023								
Opening net book amount	26,568	—	810,874	289	2,657	1,214	37,329	878,931
Additions	—	—	—	—	55	3,629	—	3,684
Depreciation	(2,538)	—	(134,114)	—	(631)	(484)	—	(137,767)
Disposal	—	—	(76)	—	(28)	(72)	—	(176)
Exchange alignment	—	—	—	—	(2)	(48)	—	(50)
Closing net book amount	24,030	—	676,684	289	2,051	4,239	37,329	744,622
At 31 December 2023								
Cost	52,180	—	2,315,877	5,125	11,839	7,716	98,569	2,491,306
Accumulated depreciation and impairment	(28,150)	—	(1,639,193)	(4,836)	(9,788)	(3,477)	(61,240)	(1,746,684)
Net book amount	24,030	—	676,684	289	2,051	4,239	37,329	744,622
Year ended 31 December 2024								
Opening net book amount	24,030	—	676,684	289	2,051	4,239	37,329	744,622
Additions	—	1,267	1,880	—	263	2,271	453,885	459,566
Acquisition of subsidiaries *(Note 34(a))*	—	—	—	—	—	—	17,274	17,274
Depreciation	(2,517)	(117)	(125,194)	—	(446)	(1,132)	—	(129,406)
Disposal	—	—	—	—	(41)	(29)	—	(70)
Disposal of subsidiaries *(Note 35)*	—	—	—	—	(7)	—	—	(7)
Exchange alignment	—	—	—	—	47	8	—	55
Closing net book amount	21,513	1,150	553,370	289	1,867	5,357	508,488	1,092,034
At 31 December 2024								
Cost	52,180	1,267	2,317,757	5,125	11,791	8,967	569,728	2,966,815
Accumulated depreciation and impairment	(30,667)	(117)	(1,764,387)	(4,836)	(9,924)	(3,610)	(61,240)	(1,874,781)
Net book amount	21,513	1,150	553,370	289	1,867	5,357	508,488	1,092,034

16 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Depreciation expense of approximately RMB564,000 (2023: approximately RMB99,000) has been charged in administrative expenses and depreciation expense of approximately RMB128,842,000 (2023: approximately RMB137,668,000) has been charged in cost of sales.

As at 31 December 2024, the Group has pledged its certain property, plant and equipment to secure its other loans (Note 31(e)) and bank loans (Note 31(a)) with carrying values of approximately RMB520,932,000 and RMB1,561,000, respectively (2023: approximately of RMB638,234,000 and RMB1,895,000, respectively).

The construction in progress mainly represented the construction of a wind farm project in Baotou City of Inner Mongolia, which was suspended since 2021 and the related impairment loss in aggregate of approximately RMB61,240,000 on this construction in progress was then recognised. In addition, there was no further development during the years ended 31 December 2023 and 2024. Management considered that there was an impairment indicator and conducted impairment assessment on the recoverable amounts of this cash generating unit ("**CGU**") of the Group by determining the recoverable amount based on value in use ("**VIU**") calculation using the discounted cash flows forecast (the "**DCF**") approved by the management with the assistance of an independent valuer. The pre-tax discount rate adopted was 10.5% (2023: 11.8%) per annum which reflects the specific risks relating to the Group. Key assumptions adopted and judgment exercise in the preparation of the DCF included the revenue growth rates and the pre-tax discount rate. Based on the results of management's impairment assessment, management determined that the estimated recoverable amounts of this CGU determined under the VIU method are higher than their carrying amounts as at 31 December 2024 (2023: same). As a result, no impairment loss (2023: nil) of property, plant and equipment of this CGU was made for the year ended 31 December 2024.

Accounting policies of property, plant and equipment

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives as follows:

	Useful lives	Residual value
Buildings	18 to 25 years	5%
Leasehold improvements	Over the shorter of the term of lease or 5 years	0%
Generators and related equipment	5 to 25 years	5%
Plant and machinery	5 to 10 years	5% to 10%
Equipment, furniture and fixtures	3 to 10 years	5% to 10%
Motor vehicles	5 to 8 years	5% to 10%

See Note 38.6 for other accounting policies relevant to property, plant and equipment and Note 38.9 for accounting policies of impairment of non-financial assets.

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

	2024	2023
	RMB'000	*RMB'000*
Right-of-use assets		
Land use rights	**54,518**	8,418
Offices	**4,560**	7,664
	59,078	16,082
Lease liabilities		
Current	**2,740**	3,752
Non-current	**342**	1,073
	3,082	4,825

	2024	2023
	RMB'000	*RMB'000*
Acquisition of subsidiaries *(Note 34 (a))*	**46,889**	—
Additions to right-of-use assets	**3,930**	1,690
Early termination of lease	**642**	520

(b) Amounts recognised in the consolidated statement of profit or loss

	2024	2023
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets:		
— Land use rights	**790**	398
— Offices	**6,462**	4,921
	7,252	5,319
Interest expenses on lease liabilities *(Note 11)*	**260**	289
Total cash outflow for leases	**5,482**	3,740

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(continued)*

(c) The Group's leasing activities and how these are accounted for

The Group leases various land use rights and offices. Lease agreements for land use rights and offices are entered into for the fixed periods of 20 to 40 years and 2 to 4 years, respectively (2023: same). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. There are no renewal options and variable lease payments included in these lease agreements.

As at 31 December 2024, the Group has pledged its certain leasehold land including in right-of-use assets with a carrying value of approximately RMB46,497,000 (2023: Nil) to secure its bank loans (Note 31(a)).

Accounting policies of leases

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed lease payments.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received and makes any adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

See Note 38.21 for the other accounting policies relevant to leases.

18 INTERESTS IN ASSOCIATES

	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**1,489**	2,036
Share of losses for the year	**(22)**	(547)
At the end of the year	**1,467**	1,489

(a) Particulars of the associates are as follows:

Name	Principal activities	Place/country of incorporation/ establishment	% of ownership interest		% of voting rights held by the Group	
			2024	2023	**2024**	2023
Shenzhen Qianhai Jiefeng Financing and Leasing Limited ("**Shenzhen Qianhai**")	Financial leasing, purchase of leased assets, lease advisory and guarantees	The PRC	**45.13%**	45.13%	**49%**	49%
Poly Wealth Securities Limited ("**Poly Wealth**")	Securities brokerage	HK	**25%**	25%	**25%**	25%

18 INTERESTS IN ASSOCIATES *(continued)*

Set out below are the summarised financial information for the associates which were individually immaterial to the Group.

	Poly Wealth	
	2024	2023
	RMB'000	*RMB'000*
The Group's share on:		
Loss and other comprehensive income for the year	**(22)**	(547)

Accounting policies of equity accounting

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

See Note 38.8 for the other accounting policies relevant to equity accounting.

19 INTERESTS IN JOINT VENTURES

	2024	2023
	RMB'000	*RMB'000*
At the beginning of the year	**3,061**	—
Contribution	**—**	3,060
Share of profits for the year	**23**	1
At the end of the year	**3,084**	3,061

19 INTERESTS IN JOINT VENTURES *(continued)*

(a) Particulars of the joint ventures are as follows:

Name	Principal activities	Place/country of incorporation/ establishment	% of ownership interest	
			2024	2023
Hongsong Agriculture and Animal Husbandry Technology (Shandong) Co., Ltd. 紅松農牧科技（山東）有限公司	Provision of agriculture and animal husbandry technology related services	The PRC	**—#**	35.5%*
Beijing Xinhongsong New Energy Technology Service Co., Ltd. 北京欣紅松新能源技術服務有限責任公司 ("**Xinhongsong**")	Electrical and mechanical equipment maintenance	The PRC	**36.19%**	36.19%

* As at 31 December 2023, the Group did not pay up any capital in Hongsong Agriculture and Animal Husbandry Technology (Shandong) Co., Ltd..

\# During the year ended 31 December 2024, Hongsong Agriculture and Animal Husbandry Technology (Shandong) Co., Ltd. has been deregistered.

Set out below are the summarised financial information for the joint ventures which were individually immaterial to the Group.

	Xinhongsong	
	2024	2023
	RMB'000	*RMB'000*
The Group's share on:		
Profit and other comprehensive income for the year	**23**	1

Accounting policies of equity accounting

Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

See Note 38.8 for the other accounting policies relevant to equity accounting.

20 FINANCIAL INSTRUMENTS BY CATEGORY

	2024 *RMB'000*	2023 *RMB'000*
Financial assets		
At fair value		
— Financial assets at fair value through other comprehensive income	**59,429**	27,370
— Financial assets at fair value through profit or loss	**3,343**	5,346
	62,772	32,716
At amortised cost		
— Trade receivables	**256,654**	196,003
— Other receivables	**343,075**	339,064
— Cash and cash equivalents	**244,609**	385,512
	844,338	920,579
	907,110	953,295
Financial liabilities		
At amortised cost		
— Trade and other payables	**291,192**	107,713
— Borrowings	**2,076,627**	1,519,535
— Lease liabilities	**3,082**	4,825
	2,370,901	1,632,073

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income ("**FVOCI**") comprise of equity securities which are held for an identified long term strategic purpose so the Group does not intend to dispose them in the foreseeable future. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

(b) Equity investments at fair value through other comprehensive income

	2024	2023
	RMB'000	*RMB'000*
Unlisted equity investments in the PRC *(Note)*	**59,429**	27,370

Note:

As at 31 December 2024, the Group has pledged certain investment designated at fair value through other comprehensive income with carrying values of approximately RMB54,450,000 (2023: nil) to secure its other loans (Note 31(e)).

(c) Amount recognised in consolidated statement of comprehensive income

	2024	2023
	RMB'000	*RMB'000*
Change in fair value of financial assets at fair value through other comprehensive income	**(22,391)**	(5,421)

(d) Valuation process

Information about the methods and assumptions used in determining fair value is provided in Note 3.3.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(continued)*

Accounting policies for investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies equity investments when and only when its business model for managing those assets changes.

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Equity investments at fair value through profit or loss

	2024 *RMB'000*	2023 *RMB'000*
Unlisted equity investment in the Cayman Islands	**2,300**	3,324
Listed equity investments in HK and the PRC	**1,043**	2,022
	3,343	5,346

	2024 *RMB'000*	2023 *RMB'000*
Analysed as:		
Current assets	**1,043**	2,022
Non-current assets	**2,300**	3,324
	3,343	5,346

(b) Amount recognised in consolidated statement of profit or loss

	2024 *RMB'000*	2023 *RMB'000*
Fair value loss on financial assets at fair value through profit or loss	**(2,468)**	(256)

(c) Valuation process

Information about the methods and assumptions used in determining fair value of unlisted equity investment is provided in Note 3.3.

Accounting policies for investments and other financial assets

See Note 21 for the accounting policies relevant to investments and other financial assets.

23 INVENTORIES

	2024 *RMB'000*	2023 *RMB'000*
Finished goods	89	—

24 TRADE AND OTHER RECEIVABLES

	2024 *RMB'000*	2023 *RMB'000*
Trade receivables *(Note a)*	258,684	198,033
Less: provision for loss allowance	(2,030)	(2,030)
	256,654	196,003
Prepayments, deposits, and other receivables *(Note b)*	759,624	485,984
	1,016,278	681,987
Less: non-current portion		
— Prepayments for acquisition of property, plant and equipment and investments	(386,636)	(133,776)
— Deposits for other loans	(28,000)	(28,000)
	(414,636)	(161,776)
Current portion	601,642	520,211

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2024 *RMB'000*	2023 *RMB'000*
RMB	1,013,141	645,400
HK$	3,137	36,587
	1,016,278	681,987

24 TRADE AND OTHER RECEIVABLES *(continued)*

(a) Trade receivables

As at 31 December 2024, the Group has pledged certain of its trade receivables with carrying values of approximately RMB243,022,000 (2023: approximately RMB194,797,000) to secure its other loans (2023: other loans).

The Group's trade receivables are mainly sales of electricity receivable from the local grid company. Generally, the receivables are due within 30 days from the date of billing, except for the tariff adjustment. The collection of such tariff adjustment is subject to the allocation of funds by relevant government authorities to the local grid company. The ageing analysis of the trade receivables net of provision for loss allowance based on invoice date is as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Unbilled *(Note)*	**195,845**	165,403
Within three months	**57,495**	30,600
More than three months but within one year	**2,111**	—
More than one year	**1,203**	—
	256,654	196,003

Note: The amount represents the tariff adjustment receivables for the wind power plants operated by the Group.

The ageing analysis of the trade receivables net of provision for loss allowance based on revenue recognition date is as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Within three months	**92,388**	64,402
More than three months but within one year	**63,749**	69,685
More than one year	**100,517**	61,916
	256,654	196,003

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is considered that recovery of the amount is remote, in which case the allowance account is written off against trade receivables directly.

At 31 December 2024, trade receivables of the Group amounting to approximately RMB2,030,000 (2023: approximately RMB2,030,000) were individually determined to be impaired and full provision had been made. These individually impaired receivables were outstanding for over 1 year as at 31 December 2024 and 2023 or related to customers that were in financial difficulties. The Group does not hold any collateral over these balances.

24 TRADE AND OTHER RECEIVABLES *(continued)*

(b) Prepayments, deposits, and other receivables

	2024 *RMB'000*	2023 *RMB'000*
Other receivables *(Note (i))*	411,137	345,354
Less: provision for loss allowance	(217,100)	(201,427)
	194,037	143,927
Loan receivables *(Note (ii))*	202,304	218,856
Less: provision for loss allowance	(81,266)	(66,642)
	121,038	152,214
Amount due from an associate *(Note 18)*	29,187	29,187
Less: provision for loss allowance	(29,187)	(29,187)
	—	—
Amount due from a non-controlling interest *(Note (iii))*	—	14,923
Deposit for other loans *(Note (iv))*	28,000	28,000
Prepayments *(Note (v))*	416,549	146,920
Total	759,624	485,984
Less: non-current portion		
— Prepayments for acquisition of property, plant and equipment and investments	(386,636)	(133,776)
— Deposit for other loans	(28,000)	(28,000)
	(414,636)	(161,776)
Current portion	344,988	324,208

24 TRADE AND OTHER RECEIVABLES *(continued)*

(b) Prepayments, deposits, and other receivables *(continued)*

The movement in provision for loss allowance on other receivables, loan receivables and amount due from an associate are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of the year	**297,256**	281,075
Provision for impairment	**28,681**	24,872
Write-off	**—**	(9,981)
Disposal of subsidiaries	**(1)**	—
Exchange realignment	**1,617**	1,290
At end of the year	**327,553**	297,256

Details of provision for loss allowance on other receivables, loan receivables and amount due from an associate for the years ended 31 December 2024 and 2023 are set out in Note 3.1(b).

Notes:

(i) As at 31 December 2024, the balances mainly represent the other receivables of approximately RMB119,258,000 (2023: RMB117,718,000) were due from Suzlon Energy (Tianjin) Limited* (蘇司蘭能源(天津)有限公司), which was in financial difficulties and were fully impaired in 2021.

(ii) As at 31 December 2024 and 2023, the loan receivables from independent third parties were unsecured, interest-bearing at rates ranging from 5%-18% (2023: 5%-18%) per annum and repayable within one year. Loan receivables from independent third parties with aggregate gross amounts of approximately RMB112,495,000 (2023: RMB127,775,000) were guaranteed by business partners of those independent third parties. Loan receivables from independent third parties with aggregate gross amounts of approximately RMB7,250,000 (2023: approximately RMB7,250,000) were guaranteed by a shareholder of the independent third parties. The remaining loan receivables from independent third parties were unguaranteed.

(iii) As at 31 December 2023, the amount due from a non-controlling interest was unsecured, interest-free and repayable on demand.

(iv) As at 31 December 2024 and 2023, the Group has pledged certain of its deposits with carrying values of approximately RMB28,000,000 (2023: approximately RMB28,000,000) to secure its other loans (Note 31(e)).

(v) As at 31 December 2024, the prepayments mainly represented the prepayment for acquisition of property, plant and equipment and investments and prepayment for the consultancy fee to a non-controlling interest of approximately RMB386,636,000 and RMB16,177,000, respectively (2023: approximately RMB133,776,000 and Nil, respectively).

25 CASH AND CASH EQUIVALENTS

	2024 *RMB'000*	2023 *RMB'000*
Cash at banks	244,580	385,161
Cash on hands	29	351
	244,609	385,512

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

	2024 *RMB'000*	2023 *RMB'000*
RMB	243,336	358,187
HK$	1,273	27,325
	244,609	385,512

As at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately RMB243,334,000 (2023: approximately RMB358,134,000), were deposited with the banks in the PRC where the remittance of funds is subject to foreign exchange control.

26 DEFERRED INCOME TAX LIABILITIES

	2024 *RMB'000*	2023 *RMB'000*
Deferred income tax liabilities — To be settled after one year	3,611	5,827

26 DEFERRED INCOME TAX LIABILITIES *(continued)*

The components of deferred income tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Revaluation of property *RMB'000*	Withholding tax on future dividend income *RMB'000*	Total *RMB'000*
At 1 January 2023	(8,972)	(249)	(9,221)
Credited to the consolidated statement of profit or loss	3,399	—	3,399
Exchange realignment	—	(5)	(5)
At 31 December 2023 and 1 January 2024	**(5,573)**	**(254)**	**(5,827)**
Acquisition of a subsidiary *(Note 34 (a))*	**(569)**	**—**	**(569)**
Credited/(charged) to the consolidated statement of profit or loss	**3,399**	**(599)**	**2,800**
Exchange realignment	**—**	**(15)**	**(15)**
At 31 December 2024	**(2,743)**	**(868)**	**(3,611)**

At 31 December 2024, the Group has unused tax losses of approximately RMB107,332,000 (2023: approximately RMB79,844,000) available for offset against future profits which can be carried forward five years after they are incurred under current tax legislation. No deferred income tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards.

At 31 December 2024, deferred tax liabilities of approximately RMB20,512,000 (2023: approximately RMB16,602,000) have not been provided for in the consolidated financial statements in respect of the temporary difference attributable to the undistributed profits of other PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

27 SHARE CAPITAL

	Note	Number of shares '000	Amount RMB'000
Authorised			
As at 1 January 2023, ordinary shares of HK$0.05 each		10,000,000	87,912
Capital reorganisation			
— Share Consolidation	(i)(a)	(8,000,000)	—
— Increase in authorised share capital	(i)(b)	8,000,000	—
As at 31 December 2023, 1 January 2024 and 31 December 2024, ordinary shares of HK$0.05 each		**10,000,000**	**87,912**
Issued and fully paid			
As at 1 January 2023, ordinary shares of HK$0.01 each		2,049,141	17,884
Conversion of convertible bonds	31(d)	325,667	2,850
Capital reorganisation			
— Share Consolidation	(i)(a)	(1,899,847)	—
Issuance of shares under rights issue	(ii)	1,187,404	54,323
As at 31 December 2023 and 1 January 2024, ordinary shares of HK$0.05 each		1,662,365	75,057
Exercise of share options	(iii)	52,354	2,367
As at 31 December 2024, ordinary shares of HK$0.05 each		**1,714,719**	**77,424**

27 SHARE CAPITAL *(continued)*

Notes:

(i) Pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting held on 4 July 2023, the Company's capital reorganisation involve the following:

(a) every five (5) existing shares in the issued and unissued shares of HK$0.01 each would be consolidated into one (1) consolidated share of HK$0.05 each ("**Consolidated Share(s)**") and became effective on 6 July 2023 ("**Share Consolidation**"); and

(b) following the Share Consolidation, the authorised share capital of the Company was increased from 2,000,000,000 Consolidated Shares to 10,000,000,000 Consolidated Shares, by the creation of 8,000,000,000 Consolidated Shares, and became effective on 6 July 2023.

(ii) In August 2023, the Company completed a rights issue at a price of HK$0.18 per rights share on the basis of five rights shares for every two shares ("**Rights Issue**") and issued an aggregate of approximately 1,187,404,000 new ordinary shares of HK$0.05 each to the shareholders and investors. Proceeds from the Rights Issue net of transaction costs of approximately HK$1,100,000 amounted to approximately HK$213,000,000.

(iii) During the year ended 31 December 2024, 52,353,920 share options were exercised at HK$0.546 per share, and a total of 52,353,920 new shares were allotted and issued to share options holders.

28 RESERVES

(a) Share premium

The share premium account is governed by the Companies Law of the Cayman Islands and may be applied by the Company subject to the provisions, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

No distribution or dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(b) Statutory reserves

As stipulated by the relevant PRC laws and regulations, the PRC subsidiaries shall set aside 10% of their net profit after taxation for the PRC statutory reserves (except where the reserve balance has reached 50% of the paid-up capital of the respective enterprises). The reserve can only be utilised, upon approval by the board of directors of respective enterprises and by relevant authority, to offset accumulated losses or increase registered capital, provide that the balance after transfer to paid-up capital is not less than 25% of its registered capital.

(c) Translation reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of an entity with functional currency other than RMB.

(d) Convertible bonds reserve

The convertible bonds reserve comprises the amount allocated to the unexercised equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in Note 31.

(e) Fair value reserve

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period.

(f) Share options reserve

The share options reserve comprises the portion of the grant date fair value of unexercised share options granted to directors and employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payment in Note 10.

(g) Warrants reserve

The warrants reserve comprises the portion of the grant date fair value of unexercised non-listed warrants.

29 SHARE-BASED PAYMENT

(a) Share options

A share option scheme (the "**Share Option Scheme**") was adopted pursuant to an ordinary resolution passed by the shareholders of the Company on 1 June 2015.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participant as incentives or rewards for their contributions to the Group. All full time or part time employees, directors, consultants, advisers, substantial shareholders, distributors, contractors, suppliers, agents, customers, business partners or service providers of any member of the Group, to be determined absolutely by the board are eligible to participate in the Share Option Scheme.

The Share Option Scheme will remain in force for a period of 10 years after the date on which Share Option Scheme is adopted.

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the shares of the Company in issue at the date of approval of the Share Option Scheme ("**General Scheme Limit**"). The Company may renew the General Scheme Limit with shareholders' approval provided that each such renewal may not exceed 10% of the shares in the Company in issue as at the date of the shareholders' approval.

The maximum number of 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 share option scheme adopted by the Group must not in aggregate exceed 30% of the shares in issue from time to time.

Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon exercise of the share option granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding share option) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

Any grant of options under the Share Option Scheme and any other share option scheme adopted by the Group to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). Any share options granted to a substantial shareholder or an independent non-executive director of the Company or to any of their respective associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of grant) in excess of HK$5,000,000, in any 12-month period, are subject to shareholders' approval in a general meeting of the Company.

29 SHARE-BASED PAYMENT *(continued)*

(a) Share options *(continued)*

The subscription price of a share under the Share Option Scheme will be a price solely determined by the Board and shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option. And each option gives the holder the right to subscribe for one share of the Company.

During the year ended 31 December 2024, none of the share options have been granted under the Share Option Scheme (2023: Nil).

During the year ended 31 December 2023, the Company has completed the Share Consolidation and then Rights Issue. Accordingly, the exercise price and the number of the outstanding share options granted under the Share Option Scheme have been adjusted as follows:

	Immediately prior to the adjustments after the Share Consolidation but before the Rights Issue		Immediately after the adjustments after the Share Consolidation but before the Rights Issue	
Date of grant	Number of shares falling to be issued upon exercise of the outstanding share options	Exercise price per share	Adjusted number of shares falling to be issued upon exercise of the outstanding share options	Adjusted exercise price per share
		(HK$)		*(HK$)*
29 January 2021	179,000,000	0.18	35,980,000	0.9

29 SHARE-BASED PAYMENT *(continued)*

(a) Share options *(continued)*

	Immediately prior to the adjustments after the Share Consolidation but before the Rights Issue		Immediately after the adjustments after the Share Consolidation and the Rights Issue	
Date of grant	Number of shares falling to be issued upon exercise of the outstanding share options	Exercise price per share *(HK$)*	Adjusted number of shares falling to be issued upon exercise of the outstanding share options	Adjusted exercise price per share *(HK$)*
29 January 2021	35,980,000	0.9	59,295,040	0.546

As at 31 December 2024 and 2023, 4,304,320 and 56,658,240 share options were outstanding respectively. The Company had refreshed 10% scheme mandate limit for granting share options under the Share Option Scheme with the Shareholders' approval on the annual general meeting held on 29 July 2021.

As at the date of this report, the total number of outstanding options available for grant under the Share Option Scheme was 39,582,816 (2023: 39,582,816) shares, which represented approximately 2.3% (2023: approximately 2.4%) of the shares of the Company in issue.

During the year ended 31 December 2024, the gross proceeds from exercising 52,353,920 share options were approximately HK$28,585,000 (equivalent to approximately RMB25,848,000), of which the partial proceeds of approximately HK$1,737,000 (equivalent to approximately RMB1,579,000) were settled by the equivalent amount of the interest payable in respect of 2022 Convertible Bonds due to Filled Converge, which is controlled and beneficially owned by Mr. Zhang, who exercised the share options during the year ended 31 December 2024.

29 SHARE-BASED PAYMENT *(continued)*

(a) Share options *(continued)*

The following table discloses movements in the outstanding option granted by the Company under the Share Option Scheme during the years ended 31 December 2024 and 31 December 2023:

		Number of share options									
Year	Category of participant	As at 1 January 2024	Granted during the period	Adjustments on Share Consolidation	Adjustments on Rights Issue	Cancelled/lapsed during the period	Exercised during the period	As at 31 December 2024	Grant date	Exercise period *(Note)*	Exercise price per share
2024	Directors in aggregate	18,128,000	–	–	–	–	(16,485,920)	1,642,080	29 January 2021	4 years commencing from 29 January 2021	HK$0.546
	Employees in aggregate	38,530,240	–	–	–	–	(35,868,000)	2,662,240	29 January 2021	4 years commencing from 29 January 2021	HK$0.546
	Total	56,658,240	–	–	–	–	(52,353,920)	4,304,320			

		Number of share options									
Year	Category of participant	As at 1 January 2023	Granted during the period	Adjustments on Share Consolidation	Adjustments on Rights Issue	Cancelled/lapsed during the period	Exercised during the period	Transfer	As at 31 December 2023	Grant date	Exercise period *(Note)*	Exercise price per share after/before the Share Consolidation and Rights Issue
2023	Directors in aggregate	71,000,000	–	(56,800,000)	9,201,600	(2,636,800)	–	(2,636,800)	18,128,000	29 January 2021	4 years commencing from 29 January 2021	HK$0.546/ HK$0.18
	Employees in aggregate	108,900,000	–	(87,120,000)	14,113,440	–	–	2,636,800	38,530,240	29 January 2021	4 years commencing from 29 January 2021	HK$0.546/ HK$0.18
	Total	179,900,000	–	(143,920,000)	23,315,040	(2,636,800)	–	–	56,658,240			

Note: All share options granted were vested immediately on grant date.

29 SHARE-BASED PAYMENT *(continued)*

(a) Share options *(continued)*

The variables and assumptions used in computing the fair value of the share options are based on Management's best estimate. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option. The significant assumptions used in the binomial model to derive the fair value at the date of grant conducted by an independent valuer were as follows:

Date of grant	29 January 2021
Risk free rate	0.231%
Expected volatility	50%
Expected dividend yield	0%
Life of option (year)	4
Closing share price at grant date	HK$0.177
Exercise price per share	HK$0.18
Weighted average fair value per share option	RMB0.057

The expected volatility was calculated based on the historic volatility of share prices of the Company and comparable companies based on publicly available information. Expected dividend yield was based on historic dividends.

During the year 31 December 2024, share-based payment expenses of nil (2023: nil) were recognised in the consolidated statement of profit or loss in relation to share options.

29 SHARE-BASED PAYMENT *(continued)*

(b) Non-listed warrants

On 3 March 2021, the Company entered into the warrant placing agreement with the sole placing agent, who is an independent third party, pursuant to which the sole placing agent has conditionally agreed to procure, on a best effort basis, not less than six independent places to subscribe for up to 395,828,160 warrants for its service provided at a placing price of HK$0.015 per warrant under specific mandate.

The subscription rights attaching to the warrants will be exercisable within 18 months from the date of the issue of the warrants. Each warrant carries the right to subscribe for one warrant share, assuming full conversion of the subscription rights attaching to the 395,828,160 warrants at the amended warrant exercise price of HK$0.22 per warrant share, a maximum of 395,828,160 warrant shares will be allotted and issued.

The placing of warrants was completed on 5 August 2021. The warrants were classified as equity instruments. The fair value of the warrants was approximately RMB13,366,000 at date of its service received and an equity-settled share-based payment expense was also recognised in the consolidated statement of profit or loss. The net proceeds from the placing were approximately RMB4,801,000, being available for the general working capital of the Company.

The fair value of the warrants at 5 August 2021 were determined by reference to a valuation using Binomial Tree Model. The inputs and methodology used for the calculation of the fair value of the warrants are as follows:

Date of issuance	5 August 2021
Share price	HK$0.218
Time to maturity	18 months
Risk-free rate	0.06%
Dividend yield	0%
Volatility	52.07%

The Company's non-listed warrants were lapsed on 4 February 2023 and none of the rights attached to the warrants has been exercised.

30 TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**25,672**	21,196
Interest payables	**623**	22,783
Other tax payables	**1,047**	—
Payables on acquisition of property, plant, and equipment	**23,282**	12,190
Payables on acquisition of a subsidiary *(Note (i))*	**13,043**	13,143
Amounts due to directors *(Note (ii))*	**968**	1,340
Amounts due to non-controlling interests *(Note (ii))*	**12,642**	2,314
Amount due to an associate *(Note (ii))*	**1,644**	681
Deposits received in respect of the investment and construction of renewable energy projects	**130,000**	—
Other payables and accruals	**84,741**	34,066
	293,662	107,713

Notes:

(i) As at 31 December 2024 and 2023, the balance mainly included the outstanding payable to the vendors for the acquisition of equity interests in Hebei Hongsong Renewable Energy Investment Co., Ltd.

(ii) As at 31 December 2024 and 2023, the amounts due were unsecured, interest-free and repayable on demand.

30 TRADE AND OTHER PAYABLES *(continued)*

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

	2024	2023
	RMB'000	*RMB'000*
Within three months	**11,136**	20,826
More than three months but within one year	**13,226**	35
More than one year	**1,310**	335
	25,672	21,196

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	2024	2023
	RMB'000	*RMB'000*
RMB	**277,478**	76,323
HK$	**16,184**	31,390
	293,662	107,713

31 BORROWINGS

	2024 *RMB'000*	2023 *RMB'000*
Bank loans, secured *(Note (a))*	**673,605**	1,433
Bonds *(Note (b))*	**105,988**	109,360
Notes payables *(Note (c))*	**4,145**	7,749
Convertible bonds *(Note (d))*	**397,011**	336,723
Other loans *(Note (e))*	**891,408**	1,059,800
Loans from related parties *(Note (f))*	**4,470**	4,470
Total	**2,076,627**	1,519,535
Less: non-current portion		
— Bank loans, secured *(Note (a))*	**(540,545)**	(1,181)
— Bonds *(Note (b))*	**(7,985)**	(29,582)
— Convertible bonds *(Note (d))*	**—**	(336,440)
— Other loans *(Note (e))*	**(740,325)**	(867,620)
— Loans from related parties *(Note (f))*	**—**	(3,470)
	(1,288,855)	(1,238,293)
Current portion	**787,772**	281,242

(a) Bank loans, secured

Details of the repayment schedule in respect of the interest-bearing bank borrowings are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Within one year	**133,060**	252
Between one to two years	**130,461**	1,181
Between two to five years	**390,933**	—
Over five years	**19,151**	—
	673,605	1,433

31 BORROWINGS *(continued)*

(a) Bank loans, secured *(continued)*

At 31 December 2024, the Group's interest-bearing bank loans were secured/guaranteed by the following:

— the Group's certain property, plant and equipment and certain leasehold land including in right-of-use assets with a carrying value of approximately RMB48,058,000 (2023: RMB1,895,000);

— charges over the registered capital of a subsidiary of the Company (2023: Nil);

— personal guarantee provided by Mr. Zhang, the chief executive officer (the "**CEO**") and an executive director of the Company (2023: same); and

— guarantee provided by one of the non-controlling shareholders and a subsidiary of the Company (2023: Nil).

The effective interest rate on secured bank loans range from approximately 3.15% to 12% per annum (2023: 12% per annum).

The carrying amounts of bank loans approximate their fair values and are denominated in the following currencies:

	2024 *RMB'000*	2023 *RMB'000*
RMB	**672,385**	—
HK$	**1,220**	1,433
	673,605	1,433

(b) Bonds

As at 31 December 2024, the unsecured bonds were issued in an aggregated principal amount of approximately HK$99,996,000 (2023: approximately HK$116,416,000) with maturity in one to two years (2023: one to two years). The bonds carry fixed interest rate at 7%-10% per annum (2023: 7%-10% per annum) and interest is payable in arrears yearly. As at 31 December 2024, the bonds of approximately RMB98,003,000 are classified as current liabilities (2023: approximately RMB79,778,000) and approximately RMB7,985,000 are classified as non-current liabilities (2023: approximately RMB29,582,000).

(c) Notes payables

Interest expenses on the notes payables were calculated using the effective interest method by applying the effective interest rate of approximately 16% per annum.

The balance represented the outstanding interest payables to lenders as at 31 December 2024 and 2023. The principal amount of the notes payables has been fully repaid as at 31 December 2024 and 2023.

31 BORROWINGS *(continued)*

(d) Convertible bonds

(i) 2022 Convertible Bonds

On 28 April 2022, the Company issued the convertible bonds in the principal amount of HK$356,375,000 (the "**2022 Convertible Bonds**") to Filled Converge, which would be used for the settlement of outstanding principal amount and interest payable by the Company to Filled Converge under the 2019 Convertible Bonds. The 2022 Convertible Bonds are due in April of 2025 and at an interest rate of 10% per annum, with the conversion rights to convert the outstanding principal amount of the 2022 Convertible Bonds into the shares at an initial conversion price of HK$0.180 per conversion share.

The Company may demand early redemption of any amount of the outstanding principal amounts of the 2022 Convertible Bonds at any time from the issue date but not less than fourteen business days prior to the maturity date, having given not less than ten days' notice (the "**Issuer Redemption Notice**") to the bondholder. Early redemption of the 2022 Convertible Bonds will be made at (i) the principal amount of the redeemed 2022 Convertible Bonds plus any accrued and unpaid interest up to and including the date of Issuer Redemption Notice; and (ii) an amount equal to a gross yield to maturity of 15% per annum (calculated on the principal amount of the redeemed 2022 Convertible Bonds for the period from the issue date up to and including the date of redemption) minus all interest paid thereon on or prior to the date of the Issuer Redemption Notice.

Convertible bondholder ("**Convertible Bondholder**") has the right on any business day during the conversion period to convert in whole or in part the outstanding principal amount of the 2022 Convertible Bonds in whole or in integral multiples of HK$1,000 into conversion shares at an initial conversion price of HK$0.180 per conversion share (subject to adjustments).

On initial recognition on 28 April 2022, the fair value of the equity component and liability component (determined using the prevailing market interest rate of similar non-convertible debts) of 2022 Convertible Bonds as a whole has been ascertained by an independent valuer, CNK International Asset Valuation Limited.

Interest expenses on the 2022 Convertible Bonds were calculated using the effective interest method by applying the effective interest rate of approximately 19.4% per annum to the respective liability component.

Pursuant to the 2022 Convertible Bonds subscription agreement, if the 2022 Convertible Bonds are not redeemed on the maturity date, the conversion rights attached to the 2022 Convertible Bonds will revive or will continue to be exercisable up to, and including, the close of business on the date upon which the full amount of the moneys payable in respect of the 2022 Convertible Bonds have been duly and irrevocably received by the Convertible Bondholder and, notwithstanding that the full amount of moneys payable in respect of such 2022 Convertible Bonds shall have been received by the Convertible Bondholder before such conversion date or that the conversion period may have expired before such conversion date.

31 BORROWINGS *(continued)*

(d) Convertible bonds *(continued)*

(i) 2022 Convertible Bonds (Continued)

During the year ended 31 December 2023, the Company has completed the Share Consolidation and then Rights Issue. Accordingly, the conversion price and the number of the shares to be issued and allotted upon full exercise of the outstanding 2022 Convertible Bonds have been adjusted as follows:

	Immediately prior to the adjustments after the Share Consolidation but before the Rights Issue		Immediately after the adjustments after the Share Consolidation but before the Rights Issue	
Outstanding principal amount of the 2022 Convertible Bonds *(HK$)*	Number of the shares to be issued and allotted upon full exercise of the outstanding 2022 Convertible Bonds	Conversion price *(HK$)*	Number of the shares to be issued and allotted upon full exercise of the outstanding 2022 Convertible Bonds	Conversion price *(HK$)*
356,375,000	1,979,861,111	0.18	395,972,222	0.9

	Immediately prior to the Adjustments after the Share Consolidation but before the Rights Issue		Immediately after the Adjustments after the Share Consolidation and the Rights Issue	
Outstanding principal amount of the 2022 Convertible Bonds *(HK$)*	Number of the shares to be issued and allotted upon full exercise of the outstanding 2022 Convertible Bonds	Conversion price *(HK$)*	Number of the shares to be issued and allotted upon full exercise of the outstanding 2022 Convertible Bonds	Conversion price *(HK$)*
356,375,000	395,972,222	0.9	494,278,779	0.721

31 BORROWINGS *(continued)*

(d) Convertible bonds *(continued)*

(ii) 2023 Convertible Bonds

On 6 February 2023, the Company issued the convertible bonds in the principal amount of HK$19,540,000 (the "**2023 Convertible Bonds**") to Mr. Xu Yingjie ("**Mr. Xu**"). The 2023 Convertible Bonds are due in February of 2026 and at an interest rate of 7% per annum, which the conversion rights to convert the outstanding principal amount of the 2023 Convertible Bonds into the shares at an initial conversion price of HK$0.06 per conversion share.

The Company may demand early redemption of any amount of the outstanding principal amounts of the 2023 Convertible Bonds at any time from the issue date but not less than fourteen business days prior to the maturity date, having given the Issuer Redemption Notice to the bondholder. Early redemption of the 2023 Convertible Bonds will be made at (i) the principal amount of the redeemed 2023 Convertible Bonds plus any accrued and unpaid interest up to and including the date of Issuer Redemption Notice; and (ii) an amount equal to a gross yield to maturity of 7% per annum (calculated on the principal amount of the redeemed 2023 Convertible Bonds for the period from the issue date up to and including the date of redemption) minus all interest paid thereon on or prior to the date of the Issuer Redemption Notice.

Convertible Bondholder has the right on any business day during the conversion period to convert in whole or in part the outstanding principal amount of the 2023 Convertible Bonds in whole or in integral multiples of HK$1,000 into conversion shares at an initial conversion price of HK$0.06 per conversion share (subject to anti-dilution adjustments).

On initial recognition on 6 February 2023, the fair value of the equity component and liability component (determined using the prevailing market interest rate of similar non-convertible debts) of 2023 Convertible Bonds as a whole has been ascertained by an independent valuer, CNK International Asset Valuation Limited.

Interest expenses on the 2023 Convertible Bonds were calculated using the effective interest method by applying the effective interest rate of approximately 24.0% per annum, to the respective liability component.

Pursuant to the 2023 Convertible Bonds instrument, if the 2023 Convertible Bonds are not redeemed on the maturity date, the conversion rights attached to the 2023 Convertible Bonds will revive or will continue to be exercisable up to, and including, the close of business on the date upon which the full amount of the moneys payable in respect of the 2023 Convertible Bonds have been duly and irrevocably received by the Convertible bondholder and, notwithstanding that the full amount of moneys payable in respect of such 2023 Convertible Bonds shall have been received by the bondholders before such conversion date or that the conversion period may have expired before such conversion date.

31 BORROWINGS *(continued)*

(d) Convertible bonds *(continued)*

(ii) 2023 Convertible Bonds (continued)

On 28 April 2023, the 2023 Convertible Bonds with the principal amount of HK$19,540,000 was fully converted into 325,666,666 ordinary shares at the conversion price of HK$0.06 per share.

The movement of liability and equity component of the 2022 Convertible Bonds and 2023 Convertible Bonds for the years is set out as below:

	Liability component *RMB'000*	Equity component *RMB'000*	Total *RMB'000*
As at 1 January 2023	302,619	29,654	332,273
Issued during the year	11,278	5,672	16,950
Interest expenses *(Note 11)*	58,017	—	58,017
Settlement of interest	(32,145)	—	(32,145)
Conversion	(11,559)	(5,672)	(17,231)
Exchange realignment	8,513	—	8,513
As at 31 December 2023 and 1 January 2024	**336,723**	**29,654**	**366,377**
Interest expenses *(Note 11)*	**63,660**	**—**	**63,660**
Settlement of interest	**(16,024)**	**—**	**(16,024)**
Exchange realignment	**12,652**	**—**	**12,652**
As at 31 December 2024	**397,011**	**29,654**	**426,665**

Accounting policies of compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

31 BORROWINGS *(continued)*

(d) Convertible bonds *(continued)*

(ii) 2023 Convertible Bonds (continued)

Accounting policies of compound financial instruments (continued)

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in convertible bonds equity reserves. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method.

The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

If the compound financial instrument is converted, the compound financial instrument reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the compound financial instrument is redeemed, the compound financial instrument reserve is released directly to retained earnings.

When the compound financial instrument is extinguished before maturity through an redemption or repurchase where the original conversion privileges are unchanged, the consideration paid and any transaction costs for the redemption or repurchase are allocated to the liability component and equity component using the same allocation basis as when the compound financial instrument was originally issued. Once the allocation of consideration and transaction costs is made, any resulting gain or loss relating to the liability component is recognised in profit or loss and the amount of consideration relating to equity component is recognised in equity.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

31 BORROWINGS *(continued)*

(e) Other loans

Details of the repayment schedule in respect of other loans are as follows:

	2024 *RMB'000*	2023 *RMB'000*
Within one year	151,083	192,180
Within a period of more than one year but not exceeding two years	145,534	123,402
Within a period of more than two years but not exceeding five years	342,561	395,020
More than five years	252,230	349,198
	891,408	1,059,800

As at 31 December 2024 and 2023, the other loans were secured and guaranteed as follows:

	2024 *RMB'000*	2023 *RMB'000*
Unsecured	5,000	35,000
Secured and guaranteed *(Note)*	886,408	1,024,800
	891,408	1,059,800

Note:

(i) At 31 December 2024, secured other loans of approximately RMB862,408,000 (2023: approximately RMB1,024,800,000) are in connection with the sales and leaseback transactions by the Company in 2020 which constitutes a very substantial disposal of the Company under the Listing Rules, of which loan periods ranged from 5 to 13 years. The Group will draw down remaining unutilised loan facilities amounts of approximately RMB400,000,000 as and when needed.

31 BORROWINGS *(continued)*

(e) Other loans *(continued)*

Note: (continued)

(i) *(continued)*

At 31 December 2024, the Group's secured/guaranteed other loans were secured/guaranteed by the following:

— the Group's certain property, plant and equipment with carrying values of approximately RMB520,932,000 (2023: approximately RMB638,234,000);

— the Group's certain deposits with carrying values of approximately RMB28,000,000 (2023: approximately RMB28,000,000);

— the Group's certain trade receivables with carrying values of approximately RMB243,022,000 (2023: approximately RMB194,797,000);

— charges over the paid registered capital of certain subsidiaries of the Company (2023: same);

— personal guarantees provided by Mr. Zhang, the CEO and an executive director of the Company and his spouse to the extent of the indebtedness of certain other loans (2023: same); and

— guarantee provided by the Company to the extent of the indebtedness of certain other loans (2023: same).

(ii) At 31 December 2024, secured other loans of approximately RMB24,000,000 (2023: nil) were secured by the Group's certain investment designated at fair value through other comprehensive income with carrying values of approximately RMB54,450,000 (2023: nil).

The average effective interest rate on secured other loans range from approximately 4.9% to 6.3% per annum (2023: approximately 6.3% per annum).

At 31 December 2024 and 2023, all other loans are denominated in RMB.

(f) Loans from related parties

At 31 December 2024, the loans from related parties of approximately RMB1,000,000 are unsecured, interest-bearing at the rate of approximately 9% per annum and repayable on demand and the loans from related parties of RMB3,470,000 are unsecured, interest-free and repayable on demand. All of the loans from related parties are denominated in RMB. The related parties are controlled by Mr. Yuan Wanyong, an executive director and the chairman of the Company.

32 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	Notes	2024 RMB'000	2023 RMB'000
Loss before income tax		**(100,960)**	(71,203)
Adjustments for:			
Depreciation of property, plant and equipment	9	**129,406**	137,767
Depreciation of right-of-use assets	9	**7,252**	5,319
Interest income		**(7,530)**	(9,236)
Finance costs	11	**132,318**	142,755
Provision for expected credit losses on other receivables		**28,681**	24,872
Share of losses of associates	18	**22**	547
Share of profits of joint ventures	19	**(23)**	(1)
Gain on disposal of subsidiaries	8	**(4,031)**	—
Loss on disposal of property, plant and equipment	8	**56**	104
Fair value losses on financial assets at fair value through profit or loss	8	**2,468**	256
Waiver of other loans interest payables	8	**—**	(4,803)
Waiver of bond interest payables	8	**(46)**	—
Operating profit before working capital changes		**187,613**	226,377
Changes in working capital:			
Inventories		**(89)**	619
Trade and other receivables		**(113,310)**	(72,368)
Trade and other payables		**62,582**	(14,729)
Cash generated from operations		**136,796**	139,899

32 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Net debt reconciliation

This section sets out the movements in liabilities arising from financing activities for each of the years presented.

	Interest payables *RMB'000*	Bank loans and other loans *RMB'000*	Loans from related parties *RMB'000*	Bonds *RMB'000*	Convertible bonds *RMB'000*	Notes payables *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
As at 1 January 2023	34,547	1,218,678	—	142,666	302,619	59,107	7,131	1,764,748
Changes from financing cash flows:								
Proceeds from new bank loans and other loans	—	25,437	—	—	—	—	—	25,437
Proceeds from loans from related parties	—	—	3,351	—	—	—	—	3,351
Net proceeds from issuance of convertible bonds	—	—	—	—	11,278	—	—	11,278
Proceeds from bonds	—	—	—	2,724	—	—	—	2,724
Repayment of bank loans and other loans	—	(181,089)	—	—	—	—	—	(181,089)
Repayment of bonds	—	—	—	(34,456)	—	—	—	(34,456)
Repayment of notes payables	—	—	—	—	—	(56,298)	—	(56,298)
Repayment of lease liabilities and interest	—	—	—	—	—	—	(3,749)	(3,749)
Other borrowing cost paid	(10,637)	(69,680)	—	(15,526)	(32,145)	—	—	(127,988)
Total changes from financing cash flows	(10,637)	(225,332)	3,351	(47,258)	(20,867)	(56,298)	(3,749)	(360,790)
Exchange realignment	759	575	—	3,879	8,513	1,912	(16)	15,622
Non-cash movements								
— Addition on lease liabilities	—	—	—	—	—	—	1,690	1,690
— Early termination of leases	—	—	—	—	—	—	(520)	(520)
— Interest expenses *(Note 11)*	—	71,348	—	10,073	58,017	3,028	289	142,755
— Conversion of convertible bonds	—	—	—	—	(11,559)	—	—	(11,559)
— Waiver of other loans interest payable	(1,886)	(2,917)	—	—	—	—	—	(4,803)
— From other loans to loans from related parties	—	(1,119)	1,119	—	—	—	—	—
As at 31 December 2023	22,783	1,061,233	4,470	109,360	336,723	7,749	4,825	1,547,143

32 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

(b) Net debt reconciliation *(continued)*

	Interest payables RMB'000	Bank loans and other loans RMB'000	Loans from related parties RMB'000	Bonds RMB'000	Convertible bonds RMB'000	Notes payables RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2024	22,783	1,061,233	4,470	109,360	336,723	7,749	4,825	1,547,143
Changes from financing cash flows:								
Proceeds from new bank loans and other loans	—	694,982	—	—	—	—	—	694,982
Repayment of bank loans and other loans	—	(191,804)	—	—	—	—	—	(191,804)
Repayment of bonds	—	—	—	(14,965)	—	—	—	(14,965)
Repayment of notes payables	—	—	—	—	—	(3,756)	—	(3,756)
Repayment of lease liabilities and interest	—	—	—	—	—	—	(5,482)	(5,482)
Other borrowing cost paid	(22,260)	(59,258)	—	(2,251)	(14,445)	—	—	(98,214)
Total changes from financing cash flows	(22,260)	443,920	—	(17,216)	(14,445)	(3,756)	(5,482)	380,761
Exchange realignment	100	3	—	5,349	12,652	152	191	18,447
Non-cash movements								
— Addition on lease liabilities	—	—	—	—	—	—	3,930	3,930
— Early termination of leases	—	—	—	—	—	—	(642)	(642)
— Interest expenses *(Note 11)*	—	59,857	—	8,541	63,660	—	260	132,318
— Settlement of certain interest by offsetting the consideration of exercising the share options *(Note 29 (a))*	—	—	—	—	(1,579)	—	—	(1,579)
— Waiver of bonds interest payable	—	—	—	(46)	—	—	—	(46)
As at 31 December 2024	623	1,565,013	4,470	105,988	397,011	4,145	3,082	2,080,332

33 RELATED PARTY TRANSACTIONS

Save as the transactions and balances disclosed elsewhere in the consolidated financial statements and the followings, the Group did not enter into any other material related party transaction.

Key management compensation

The executive directors of the Company are regarded as key management. Details of the key management compensation are disclosed in Note 10(a) to the consolidated financial statements.

34 ACQUISITIONS

(a) Acquisition of subsidiaries

In July 2024, the Group completed the acquisition of 60% equity interests in Jiujia Renewable Energy Investment (Guangzhou) Company Limited* (九嘉新能源投資(廣州)有限公司) and its subsidiary, Hebei Ruifeng Yunlian Digital Company Limited* (河北瑞風雲聯數字新能源有限公司), by way of capital injection in cash of RMB45,000,000.

Net assets at the date of acquisition were as follows:

	RMB'000
Consideration paid	
Cash	45,000
Provisional recognised amounts of fair value of identifiable assets acquired, liabilities assumed	
Property, plant and equipment *(Note 16)*	17,274
Right-of-use assets *(Note 17)*	46,889
Trade and other receivables	6,284
Amounts due from group companies	15,000
Cash and cash equivalents	6,825
Trade and other payables	(16,703)
Deferred tax liabilities	(569)
Total identifiable net assets	75,000
Non-controlling interests	(30,000)
Share of total identifiable net assets	45,000

Net cash outflow arising from the acquisition:

Cash and cash equivalent acquired	6,825
Consideration payable	15,000
Less: cash consideration	(45,000)
	(23,175)

* *For identification purpose only*

34 ACQUISITIONS *(continued)*

(b) Deemed acquisition of additional interests in a subsidiary

In May 2024, the non-controlling interests of a non-wholly owned subsidiary, Hebei Ruifeng Energy Technology Co., Ltd.* (河北瑞風能源科技有限公司) ("**Hebei Ruifeng**"), surrendered its registered share capital in Hebei Ruifeng with no consideration. The non-controlling interests has not yet paid up any share capital. Accordingly, the shareholding in Hebei Ruifeng controlled by a non-wholly owned subsidiary of the Group has increased from 70% to 100%. The Group's effective ownership interests in Hebei Ruifeng increased from 49.68% to 70.97% and it is without change of control. The loss on such deemed acquisition of additional interests in a subsidiary debited to accumulated losses of approximately RMB209,000.

(c) Acquisition of additional interests in subsidiaries

In November 2024, the Group completed the acquisition of additional interests of Beijing Hongsong Venture Capital Technology Development Co., Ltd.* (北京紅松創投科技發展有限公司) ("**Hongsong Venture**") and Hebei Ruifeng, indirect non-wholly owned subsidiaries of the Group, from the non-controlling interests, for a cash consideration of approximately RMB2,032,000. After the acquisition, the Group's effective ownership interest in Hongsong Venture and Hebei Ruifeng both increased from 70.97% to 100% and it is without change of control. The loss on such acquisition of additional interests in subsidiaries debited to accumulated losses of approximately RMB3,000,000.

35 DISPOSAL OF SUBSIDIARIES

In December 2024, the Group completed the disposal of 100% of the issued share capital of the subsidiaries, Hongsong Venture and Hebei Ruifeng to an independent third party, for a cash consideration of approximately RMB100,000. After the disposal, the Group did not hold any interest in Hongsong Venture and Hebei Ruifeng.

Net liabilities at the date of disposal were as follows:

	RMB'000
Consideration received	
Cash	100
Analysis of assets and liabilities over which the control were lost:	
Property, plant and equipment *(Note 16)*	7
Trade and other receivables	7,783
Cash and cash equivalents	739
Trade and other payables	(12,460)
Net liabilities disposed of	(3,931)
Gain on disposal:	
Consideration received	100
Less: net liabilities disposed of	3,931
	4,031
Net cash outflow arising from the disposal:	
Cash consideration received	100
Less: cash and cash equivalents disposed of	(739)
Less: consideration receivable	(100)
	(739)

36 COMMITMENTS

As at 31 December 2024, capital commitments outstanding not provided for in the consolidated financial statements were as follows:

	2024 *RMB'000*	2023 *RMB'000*
Acquisition of property, plant and equipment		
— Contracted for	613,234	42,591

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	2024 *RMB'000*	2023 *RMB'000*
ASSETS			
Non-current assets			
Investments in subsidiaries		70,824	70,824
Current assets			
Other receivables		12,101	11,912
Amounts due from subsidiaries		530,254	522,086
Cash and cash equivalents		93	726
		542,448	534,724
Total assets		613,272	605,548
EQUITY			
Share capital	37(b)	77,424	75,057
Reserves	37(b)	(89,918)	(47,519)
Total (deficit in equity)/equity		(12,494)	27,538
LIABILITIES			
Non-current liabilities			
Borrowings		7,984	366,023

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(continued)*

(a) Statement of financial position of the Company *(continued)*

	Notes	2024 *RMB'000*	2023 *RMB'000*
Current liabilities			
Amounts due to subsidiaries		**114,666**	97,742
Other payables		**3,956**	26,436
Borrowings		**499,160**	87,809
		617,782	211,987
Total liabilities		**625,766**	578,010
Total equity and liabilities		**613,272**	605,548
Net current (liabilities)/assets		**(75,334)**	322,737

The statement of financial position of the Company was approved by the Board of Directors on 31 March 2025 and was signed on its behalf.

Yuan Wanyong
Chairman

Zhang Zhixiang
Director

37 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(continued)*

(b) Share capital and reserve movement of the Company

	Share capital *RMB'000*	Share premium *RMB'000*	Translation reserve *RMB'000*	Convertible bonds reserve *RMB'000*	Share options reserve *RMB'000*	Warrants reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At 1 January 2023	17,884	1,502,189	2,524	29,654	10,300	13,366	(1,682,754)	(106,837)
Comprehensive loss								
Loss for the year	—	—	—	—	—	—	(80,339)	(80,339)
Other comprehensive loss								
Exchange difference arising on translation of financial statement of the Company	—	—	2,817	—	—	—	—	2,817
Total comprehensive income/(loss) for the year	—	—	2,817	—	—	—	(80,339)	(77,522)
Transactions with owners								
Issuance of shares under rights issues, net of expenses *(Note 27)*	54,323	140,196	—	—	—	—	—	194,519
Issuance of convertible bonds	—	—	—	5,672	—	—	—	5,672
Conversion of convertible bonds	2,850	14,528	—	(5,672)	—	—	—	11,706
Lapse of non-listed warrants *(Note 29(b))*	—	—	—	—	—	(13,366)	13,366	—
Lapse of share options *(Note 29(a))*	—	—	—	—	(458)	—	458	—
At 31 December 2023	75,057	1,656,913	5,341	29,654	9,842	—	(1,749,269)	27,538
At 1 January 2024	75,057	1,656,913	5,341	29,654	9,842	—	(1,749,269)	27,538
Comprehensive loss								
Loss for the year	—	—	—	—	—	—	(58,662)	(58,662)
Other comprehensive income								
Exchange difference arising on translation of financial statement of the Company	—	—	(7,218)	—	—	—	—	(7,218)
Total comprehensive income/(loss) for the year	—	—	(7,218)	—	—	—	(58,662)	(65,880)
Transactions with owners								
Exercise of share options *(Note 29(a))*	2,367	23,481	—	—	(9,767)	—	9,767	25,848
At 31 December 2024	77,424	1,680,394	(1,877)	29,654	75	—	(1,798,164)	(12,494)

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

38.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiaries. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.2 Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired entity,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.2 Business combination *(continued)*

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

38.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiaries in the period the dividend is declared or if the carrying amount of the investments in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

38.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, who makes strategic decisions.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the presentation currency of the Group. The functional currency of the Company is Hong Kong dollars ("**HK$**").

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within "other gains, net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.5 Foreign currency translation *(continued)*

(iii) ***Group companies*** *(continued)*

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

38.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings and the costs of plant and machinery. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for the intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated above.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount in accordance with the policy described in Note 38.9.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within "other gains, net" in the consolidated statement of profit or loss.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.7 Inventories

Finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

38.8 Equity accounting

(i) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 38.9.

(ii) Changes in ownership interests

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

38.10 Investments and other financial assets

38.10.1 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

38.10.2 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains, net" in the consolidated statement of profit or loss as applicable.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.10 Investments and other financial assets *(continued)*

38.10.3 Impairment

The Group assesses on a forward-looking basis the expected credit losses (the "**ECL**") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

38.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Group or the counterparty.

38.12 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets.

Trade and other receivables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

38.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

38.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax, from the proceeds.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

38.16 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

38.17 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.17 Borrowings *(continued)*

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

38.18 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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.

Other borrowing costs are expensed in the period in which they are incurred.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.19 Other income

Interest income

Interest income is recognised using the effective interest method, on a time-proportion basis.

Rental income from operating leases

Rental income receivable under operating leases is recognised in consolidated statement of profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

38.20 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

(continued)

38.21 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-valued assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

38.22 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the entity's shareholders or directors, where appropriate.

Dividend proposed or declared after the reporting period but before the consolidated financial statements are authorised for issue, are disclosed as a non-adjusting event and are not recognised as a liability at the end of the reporting period.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES *(continued)*

38.23 Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants are recognised as "other income" over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

38.24 Value-added tax refund

Value-added tax refund is recognised in "other income" in the consolidated statement of profit or loss when there is a reasonable assurance that the refund will be received which generally occurs upon the receipt of the approval of tax refund from the local tax bureau.

FIVE YEARS' FINANCIAL SUMMARY

	Year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Results					
Revenue	**336,274**	343,811	304,443	352,407	346,401
Operating profit/(loss)	**31,357**	72,098	992	(195,638)	60,857
Loss before income tax	**(100,960)**	(71,203)	(156,055)	(342,603)	(173,877)
Loss for the year	**(125,777)**	(94,773)	(162,020)	(358,678)	(203,973)
Attributable to:					
The owners of the Company	**(132,517)**	(108,955)	(154,448)	(368,557)	(213,010)
Non-controlling interests	**6,740**	14,182	(7,572)	9,879	9,037
	(125,777)	(94,773)	(162,020)	(358,678)	(203,973)
Assets and liabilities					
Total assets	**2,479,411**	1,865,469	2,008,215	2,237,007	3,098,787
Total liabilities	**2,392,742**	(1,653,481)	(1,893,058)	(1,955,819)	(2,465,564)
Net assets	**86,669**	211,988	115,157	281,188	633,223
Capital and reserves					
Share capital	**77,424**	75,057	17,884	17,286	17,286
Reserves	**(214,037)**	(64,306)	(91,787)	55,236	384,720
(Deficit)/equity attributable to the owners of the Company	**(136,613)**	10,751	(73,903)	72,522	402,006
Non-controlling interests	**223,282**	201,237	189,060	208,666	231,217
Total equity	**86,669**	211,988	115,157	281,188	633,223

Note:

1 The results for the year ended 31 December 2024, and the assets and liabilities as at 31 December 2024 have been extracted from the consolidated statement of profit or loss and consolidated statement of financial position as set out on pages 87 to 90 respectively, of the consolidated financial statements.