XINYI ENERGY HOLDINGS LIMITED

信義能源控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

Stock Code : 03868

2024 ANNUAL REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. LEE Shing Put, B.B.S. *(Chairman)* ø~=
Tan Sri Datuk TUNG Ching Sai
P.S.M, D.M.S.M, J.P. *(Vice Chairman)* ø<
Mr. TUNG Fong Ngai *(Chief Executive Officer)* ^
Mr. LEE Yau Ching =

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEUNG Ting Yuk *ø<=
The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. #+<=
Ms. LYU Fang #ø<=

* Chairman of audit committee
\# Members of audit committee
\+ Chairman of remuneration committee
ø Members of remuneration committee
~ Chairman of nomination committee
< Members of nomination committee
^ Chairman of acquisition committee
= Members of acquisition committee

COMPANY SECRETARY

Mr. TUEN Ling, CPA
(resigned on 1 July 2024)
Mr. CHU Charn Fai, CPA
(appointed on 1 July 2024)

REGISTERED OFFICE

Jayla Place
Wickhams Cay I
Road Town
Tortola, VG1110
British Virgin Islands

PRINCIPAL PLACE OF BUSINESS IN CHINA

No. 102, Meidiya Road
E Qiao Town
Sanshan District
Wuhu City
Anhui Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2118-2120, 21/F
Rykadan Capital Tower
No. 135 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

SQUIRE PATTON BOGGS
Suite 3201
One Island East
Taikoo Place
Quarry Bay
Hong Kong

AUDITOR

PricewaterhouseCoopers,
Certified Public Accountants and
Registered PIE Auditor
22nd Floor, Prince's Building
Central, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Chiyu Bank Corporation Limited
DBS Bank (Hong Kong) Limited
China Citic Bank
Huishang Bank Corporation Limited

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BRITISH VIRGIN ISLANDS

Ocorian Corporate Services (BVI) Limited
Jayla Place, Wickhams Cay I
PO Box 3190
Road Town, Tortola, VG1110
British Virgin Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

WEBSITE

https://www.xinyienergy.com

SHARE INFORMATION

Place of listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock Code: 03868
Listing date: 28 May 2019
Board lot: 2,000 ordinary shares
Financial year end: 31 December
Share price as of 31 December 2024: HK$0.79
Market capitalisation as of 31 December 2024: Approximately HK$6.62 billion

KEY DATES

Closure of register of members for the purpose of determining the entitlement to attend and vote at the Annual General Meeting: Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive)
Date of Annual General Meeting: Friday, 30 May 2025
Closure of register of members for the purpose of determining the entitlement to the final dividend: Thursday, 5 June 2025 to Monday, 9 June 2025 (both days inclusive)
Proposed final dividend payable date: On or about Wednesday, 30 July 2025

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the board (the "**Board**") of director (the "**Directors**") of Xinyi Energy Holdings Limited (the "**Company**" or "**Xinyi Energy**"), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023.

BUSINESS REVIEW

Continuous contribution from the solar farm portfolio

For the year ended 31 December 2024, the electricity generated by the utility-scale solar farm projects owned and operated by the Group increased by 13.8% as compared to 2023. The increase was primarily due to the full-year operation of the solar farm projects acquired in 2023 (the "**2023 Portfolio**") and the newly acquired solar farm projects in 2024 (the "**2024 Portfolio**"). The total revenue generated from the 2023 Portfolio and the 2024 Portfolio was RMB312.5 million for the year ended 31 December 2024, accounting for 12.8% of the total revenue of the solar power electricity generation business of the Group. However, the electricity curtailment loss due to the grid consumption constraints and the increase in the number and the volume of the Market-Based Electricity Trading (the "**Market-Based Electricity Trading**") partial offset the growth in the electricity generation during the year ended 31 December 2024. Hence, the revenue of the Group recorded an increase of 7.0% only.

With the acquisition of six solar farm projects comprising the 2024 Portfolio completed in the second half of 2024, the Directors expect that the full performance of the 2024 Portfolio would be reflected in the annual results of the Group in 2025.

Capacity of solar farm projects increased in 2024

With the continuous advancement in the photovoltaic technology, the efficacy and the stability of photovoltaic modules have been significantly improved. Coupled with the constant decreases in the prices of polysilicon in recent years, these factors have resulted in a significant pressure on the prices and the installation costs of the photovoltaic module in the solar power projects in the People's Republic of China (the "**PRC**"). In addition, the PRC government has also introduced a series of policies to support the development of the photovoltaic power, including subsidies, tax exemptions, technology research and development support, market access facilitation and so forth. All of these are beneficial to the construction of photovoltaic power plants. As of 31 December 2024, the newly installed capacity of photovoltaic power generation in the PRC reached a record high of 277.17 gigawatts ("**GW**"), representing an increase of approximately 28% from 216.88 GW on 31 December 2023. This impressive growth has made the solar power became the second largest source of electricity in the PRC, surpassing the hydroelectricity. The rapid construction of the photovoltaic power plants has also created a temporary imbalance, preventing the power grid from transmitting all electricity generated from the solar power generation. As a result, the Group incurred electricity curtailment loss due to the grid consumption constraints.

In recent years, the energy bureaus in certain PRC provinces have required the solar power farms to participate in the Market-Based Electricity Trading for the purpose of promoting the healthy development of the solar power industry. These initiatives have led to a greater reliance on the market demand and the competition in determining the prices for solar power projects to improve the operational efficiency and reduce the costs. As the number of the solar power farms participating in the Market-Based Electricity Trading increased and some of the trading tariffs of the Market-Based Electricity Trading were moderately lower than the feed-in-tariffs (the "**FiT**"), the related electricity revenue generated from the sales of electricity experienced decreases in 2024, thereby partially offsetting the increase in the electricity revenue from generation capacity in 2024.

CHAIRMAN'S STATEMENT

During the year ended 31 December 2024, the Group acquired from Xinyi Solar Holdings Limited ("**Xinyi Solar**") and its subsidiaries (collectively referred to as "**Xinyi Solar Group**") seven utility-scale solar farm projects located in the PRC, including six grid-parity solar farm projects and one project under the FiT regime, which have a total approved capacity of 860 megawatts ("**MW**"). The Group will continue to make the acquisition from Xinyi Solar in a timely manner, taking into account the factors such as electricity curtailment loss, the Market-Based Electricity Trading, high power consumption areas, and stable and high investment returns. The Group will also identify other solar farm projects in the market which may generate good investment returns for the purpose of further strengthening the Group's market position, enhancing its overall revenue and effectively responding to the challenges ahead.

As of 31 December 2024, the aggregate approved capacity of utility-scale solar farm projects owned and operated by the Group amounted to 4,510.5 MW, of which 1,734 MW was under the FiT regime and 2,776.5 MW was under the grid-parity regime. The operating cash flow of the Group has progressively improved with the increase in the number of the solar farm projects under the grid-parity regime in recent years.

BUSINESS OUTLOOK

The National Energy Administration of the PRC (the "**NEA**") published the notice on the "Key Points of Energy Regulation in 2024" (《2024年能源監管工作要點》) in early 2024, which expressively stated the key directions of energy regulation, ensuring that the energy industry will make positive development in terms of the safety and stable supply, increasing the percentage of clean energy and improving the market mechanism, as well as regulating the development of the energy industry and promoting the high-quality and sustainable development of China's energy industry.

In order to improve the control of the total energy consumption and consumption intensity, stimulate the demand for green electricity certificates and effectively expand the consumption of non-fossil energy, the National Development and Reform Commission the ("**NDRC**"), the National Bureau of Statistics and the NEA jointly issued the "Notice on Strengthening the Connection Between Green Electricity Certificates and Energy-Saving Carbon Reduction Policies and Vigorously Promoting Non-Fossil Energy Consumption" (《關於加強綠色電力證書與節能降碳政策銜接大力促進非化石能源消費的通知》) (the "**Notice**") in January 2024. The Notice aims to promote energy conservation and carbon reduction, and provide strong support for achieving carbon peak and carbon neutral goals.

To address the issue of new energy connection and consumption, the NEA issued the "Notice on Effectively Conducting the Work Concerning New Energy Consumption and Absorption to Ensure High-quality Development of New Energy" (《關於做好新能源消納工作保障新能源高質量發展的通知》) (the "**Development Notice**") in May 2024. The Development Notice includes accelerating the construction of new energy grid projects, optimising grid connection process, improving system regulation capabilities, promoting electricity market mechanisms and scientifically optimising new energy utilisation targets. The Development Notice also emphasises the improvement to the current new energy consumption capacity, and gradually reduce electricity curtailment losses.

Furthermore, in order to promote the high-quality development of energy, safeguard the national energy security and facilitate the green low-carbon transformation and sustainable development of the economy and society, the "Energy Law of the People's Republic of China" (《中華人民共和國能源法》) (the "**Energy Law**") was adopted at the 12th Session of the Standing Committee of the 14th National People's Congress in November 2024. In terms of energy development and utilisation, the Energy Law clearly states that the government will promote the development and utilisation of wind and solar energy and accelerate the construction of wind and photovoltaic power generation bases in a manner that combines both centralised and distributed systems. The promulgation of the Energy Law marks an important step in the development of rule of law for China's energy sector and provides a strong legal assurance for the achievement of the high-quality energy development and green low-carbon transformation.

CHAIRMAN'S STATEMENT

The NDRC and the NEA jointly issued the "Notice on Deepening the Market-oriented Reform of New Energy Feed-in Tariff to Promote High-quality Development of New Energy" (《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》) (the "**Reform Notice**") in February 2025. The Reform Notice aims to promote the full integration of new energy on-grid electricity, such as wind power and solar power, into the electricity market and to form on-grid tariffs through market transactions. The Reform Notice also clarifies the classification policy for existing and incremental projects, with the division point set on 1 June 2025. Stock projects commissioned before 1 June 2025 achieve proper alignment of tariffs with current policies through differential settlement. For incremental projects commissioned on or after 1 June 2025, the scale of electricity included in the mechanism needs to be adjusted dynamically based on the completion status of the new energy development targets set by the government for each region, and the tariff is determined through market-based bidding in each region. Due to the short notice period of the Reform Notice and the varying implementation policies across provinces, the Group is closely monitoring specific local policies and will conduct an objective assessment to evaluate the impact on the Group.

In the past few years, due to the changes in the global economic environment and the continuous adjustments in the monetary policies of various regions, the difference in the interest rates for the domestic and the offshore loans has gradually increased, which the interest rates for the offshore loans are generally higher than that of the domestic loans in the PRC. During 2024, the Group strategically increased its domestic long-term bank loans to refinance its offshore short-term bank loans. This has effectively reduced not only the Group's short-term financing pressure, but also the effective annualised interest rate of the bank loans. The Group's financial position has significantly improved and its stability has been enhanced, laying a solid foundation to meet the challenges ahead. As of 31 December 2024, only 34.7% of the Group's bank loans were short-term borrowings, as compared to 58.0% as of 31 December 2023.

During 2024, in order to diversify the location of its portfolio of solar farms, a joint venture of the Group has successfully won the bid of a solar farm project in Malaysia with an approved capacity of 100 MW, which is expected to be constructed in the second half of 2025. The Group will continue to identify other business opportunities to bring more investment returns to the Shareholders.

LEE Shing Put, B.B.S.
Chairman

Hong Kong, 28 February 2025

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 December 2024, the revenue of the Group recorded an increase of 7.0% to RMB2,440.4 million, as compared to RMB2,280.8 million for 2023. However, the profit for the year attributable to the equity holders of the Company decreased by 12% to RMB790.9 million. Basic earnings per share for the year amounted to 9.55 RMB cents, representing a decrease of 15.9% as compared to 2023. The Board proposes to declare a final dividend of 2.7 HK cents per share, subject to the approval by the shareholders (the "**Shareholders**") of the Company at the forthcoming annual general meeting (the "**AGM**") of the Company.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the Group's revenue was mainly derived from two sources, namely (i) solar power electricity generation and (ii) the provision of the solar farm operation and management services. Revenue from solar power electricity generation increased, due to contribution from the 2023 Portfolio and 2024 Portfolio, as compared to 2023.

The table below sets forth an analysis of the Group's revenue for the year ended 31 December 2024, as compared to 2023.

	2024		2023		Change	
	RMB' million	***%***	*RMB' million (Restated)*	*%*	*RMB' million*	*Increase/ (decrease) in %*
Sales of electricity	**1,464.2**	**60.0**	1,286.5	56.4	177.7	13.8
Tariff adjustment	**964.8**	**39.5**	985.1	43.2	(20.3)	(2.1)
	2,429.0	**99.5**	2,271.6	99.6	157.4	6.9
Operation and management services	**11.4**	**0.5**	9.2	0.4	2.2	23.9
Total	**2,440.4**	**100.0**	2,280.8	100.0	159.6	7.0

The Group's revenue contributed by sales of electricity and tariff adjustment net of deduction increased by 13.8% to RMB1,464.2 million and decreased by 2.1% to RMB964.8 million, respectively, as compared to the year ended 31 December 2023. The increase in total revenue was primarily attributable to the contribution of the 2023 Portfolio and the 2024 Portfolio, which was, however, offset by the impact of grid consumption constraints and increase in the number and the volume of the Market-Based Electricity Trading during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year ended 31 December 2024, the Group's revenue from solar power electricity generation was contributed by the following solar farm projects:

Name of the solar farm projects	Location in the PRC	Approved capacity *(MW)*
Initial solar farm projects owned and operated by the Group	Nine solar farm projects located in Anhui Province, Fujian Province, Hubei Province and Tianjin Municipality	954
Solar farm projects newly added in 2019 ("**2019 Portfolio**")	Six solar farm projects located in Anhui Province, Hubei Province and Henan Province	540
Solar farm projects newly added in 2020 ("**2020 Portfolio**")	Five solar farm projects located in Anhui Province, Hubei Province and Guangdong Province	340
Solar farm projects newly added in 2021 ("**2021 Portfolio**")	Eight solar farm projects located in Anhui Province, Hubei Province, Hebei Province and Guangdong Province	660
Solar farm projects newly added in 2022 ("**2022 Portfolio**")	Seven solar farm projects located in Hubei Province, Hebei Province, Shaanxi Province and Inner Mongolia Autonomous Region	520
Solar farm projects newly added in 2023 ("**2023 Portfolio**")	Four solar farm projects located in Hainan Province, Guangdong Province and Anhui Province	636.5
Solar farm projects newly added in 2024 ("**2024 Portfolio**")		
Zhanjiang Solar Farm	Guangdong Province	200
Qujing Banzhuang Solar Farm	Yunnan Province	150
Qujing Guanqiying Solar Farm	Yunnan Province	100
Qujing Nantoushan Solar Farm	Yunnan Province	100
Qujing Yangjiacun Solar Farm	Yunnan Province	200
Qujing Yingli Solar Farm	Yunnan Province	10
Wanzhi Solar Farm	Anhui Province	100
		860
Total		**4,510.5**

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded revenue of RMB11.4 million from the provision of solar farm operation and management services for the year ended 31 December 2024, representing 0.5% of the total revenue. Pursuant to the Solar Farm Operation and Management Agreement, Xinyi Solar has agreed to engage the Group to operate and manage its connection-ready solar farm projects. All of the revenue in 2024 generated from the services provided to Xinyi Solar was on commercial terms, taking into consideration factors such as service quality, work efficiency and price, as compared with the services provided to independent third parties.

Cost of sales

For the year ended 31 December 2024, the Group has continued to achieve an effective and efficient operation with lower costs through enhancement on the sophisticated management for individual solar farms and a nationwide centralised surveillance system.

In 2024, the Group's cost of sales increased by 14.8% to RMB840.7 million from RMB732.4 million in 2023. The increase was mainly due to the increase in (i) employee benefit expenses; (ii) electricity costs; (iii) the depreciation charge of property, plant and equipment and right-of-use assets of the 2023 Portfolio and the 2024 Portfolio; and (iv) the repair and maintenance expenses.

Gross profit

The Group's gross profit increased by 3.3% to RMB1,599.7 million during the year ended 31 December 2024 from RMB1,548.4 million for the year ended 31 December 2023. The increase was mainly due to the increase in the amount of revenue which outweighed the increase in the cost of sales as compared to 2023.

The gross profit margin of the Group in 2024 slightly decreased by 2.3 percentage points to 65.6% from 67.9% in 2023. The decrease was mainly due to the increase in the cost of sales, which exceeded the increase in revenue.

Other income

The amount of other income for the year ended 31 December 2024 was RMB22.9 million, as compared to RMB11.8 million for the year ended 31 December 2023. The increase was primarily due to the increase in (i) the receipt of government grants and (ii) the miscellaneous incomes, partially offset by the decrease in the receipt of insurance compensation.

Other losses, net

The Group recorded other losses, net of RMB37.7 million for the year ended 31 December 2024, as compared to RMB4.8 million for the year ended 31 December 2023. The significant increase was mainly due to (i) the increase in impairment loss of goodwill; (ii) foreign exchange losses in 2024 compared to foreign exchange gains in 2023; and (iii) the decrease in net fair value gains of financial assets at financial assets at fair value through profit or loss ("**FVPL**").

Administrative expenses

For the year ended 31 December 2024, the Group's administrative expenses decreased by RMB2.5 million from RMB51.0 million for the year ended 31 December 2023 to RMB48.5 million for the year ended 31 December 2024. The decrease was mainly due to (i) the decrease in miscellaneous expenses; (ii) the decrease in donation; and (iii) the decrease in insurance expenses, partially offset by the increase in employee benefit expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

For the year ended 31 December 2024, the finance costs of the Group amounted to RMB364.8 million, as compared to RMB328.4 million for the year ended 31 December 2023. The interest expense on bank borrowings increased from RMB268.7 million for the year ended 31 December 2023 to RMB319.5 million for the year ended 31 December 2024. The increase was primarily due to the increase in the balance of interest-bearing bank borrowings, partially offset by the declined in the bank borrowing's effective interest rate during the year. The interest component on lease liabilities slightly increased to RMB45.3 million from RMB41.4 million for the year ended 31 December 2023, due to the completion of acquisitions of the 2023 Portfolio and the 2024 Portfolio. Meanwhile, the Group did not incur any imputed interest expenses on the deferred payment of the consideration of the acquisition of the 2019 Portfolio, as such amount has been fully settled in 2023, as compared to RMB18.3 million during the year ended 31 December 2023.

Income tax expense

The Group incurred income tax expense of RMB376.2 million during the year ended 31 December 2024, as compared to RMB257.2 million for the year ended 31 December 2023. The increase was mainly due to (i) 17 (2023: 14) solar farm projects commencing full payment of the PRC corporate income tax at the statutory rate of 25% and (ii) the increase in the amount of the PRC withholding tax on the dividends remitted from the PRC during the year, partially offset by the impact of the decrease in profit before income tax of the solar farm projects which subjected to the payment of the PRC corporate income tax.

EBITDA and net profit

For the year ended 31 December 2024, the EBITDA (earnings before interest, taxation, depreciation and amortisation) was RMB2,232.0 million, representing an increase of 5.9% as compared to RMB2,107.9 million in 2023. The EBITDA margin slightly decreased by 0.9 percentage point from 92.4% for the year ended 31 December 2023 to 91.5% during the year ended 31 December 2024.

Net profit attributable to the equity holders of the Company during the year ended 31 December 2024 was RMB790.9 million, representing a decrease of 12.0% as compared to RMB898.3 million for the year ended 31 December 2023. The decrease in the net profit margin from 39.5% for the year ended 31 December 2023 to 32.4% during the year ended 31 December 2024 was primarily due to (i) the decrease in gross profit margin; (ii) the increase in impairment loss of goodwill; (iii) the increase in finance costs; and (iv) the increase in the income tax expenses.

Liquidity and financial resources

As of 31 December 2024, the Group's total assets increased by 12.5% to RMB21,668.5 million and net assets increased by 3.1% to RMB12,504.5 million. Current ratio of the Group as of 31 December 2024 was 1.6, as compared to 1.2 as of 31 December 2023, due to (i) the increase in trade and other receivables and (ii) the decrease in the current portion of bank borrowings, partially offset by (i) the decrease in cash and cash equivalents and (ii) the increase in the amounts due to fellow subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's net debt gearing ratio (bank borrowings minus cash and cash equivalents divided by total equity) as of 31 December 2024 was 55.8% (31 December 2023: 42.3%). The increase was mainly due to the decrease in cash and cash equivalent arising from the receipt of tariff adjustment subsidies and the increase in bank borrowings.

As of 31 December 2024, the Group's financial position remained healthy, with the cash and cash equivalents balance at RMB354.2 million. During the year ended 31 December 2024, net cash generated from operating activities was RMB956.2 million (2023: RMB675.5 million), which was primarily attributable to the profit before income tax of RMB1,167.7 million (2023: RMB1,175.1 million) and partially offset by the increase in (i) trade and other receivables; (ii) interest paid; and (iii) income tax paid. Net cash used in investing activities amounted to RMB2,296.0 million (2023: RMB2,349.9 million), which was primarily attributable to payment for capital expenditure for the 2023 Portfolio and the 2024 Portfolio and the settlement of outstanding capital expenditure for solar farm projects which had previously completed construction during the year. Net cash generated from financing activities amounted to RMB1,104.9 million (2023: RMB658.5 million) which was primarily attributable to the new bank borrowing of RMB7,532.3 million, partially offset by the repayments of bank borrowings of RMB6,054.1 million and dividends paid in cash to the Shareholders during the year.

CAPITAL EXPENDITURES AND COMMITMENTS

In 2024, the Group incurred capital expenditures of RMB2,268.6 million, mainly used for (i) the acquisition and further refinement of the solar farm projects and (ii) the settlement of outstanding capital expenditures of the existing solar farm projects. As of 31 December 2024, the Group did not have any capital commitments (2023: Nil).

PLEDGE OF ASSETS

The Group did not have any pledged asset as security for bank borrowings as of 31 December 2024 (2023: nil).

CONTINGENT LIABILITIES

As of 31 December 2024, the Group did not have any significant contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2024, the Group completed the acquisition of seven solar farm projects from Xinyi Solar. Please refer to the announcements of the Company dated 28 April 2023 and 28 February 2024 for further details.

Save as disclosed above, the Group did not have any material acquisition and disposal of subsidiaries for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's solar farm projects are in the PRC with most of the transactions denominated and settled in RMB. The Group is exposed to foreign exchange risks on certain cash and cash equivalents and bank borrowings denominated in foreign currencies, the majority of which are denominated in HK$. As part of the treasury policies, the Group would strike a deliberate balance between the risk of currency mismatch and the interest rate differentials in HK$ and RMB borrowings. The Group commenced the drawdown from onshore bank borrowings since the first half of 2023. As of 31 December 2024, the majority of the bank borrowings were denominated in RMB.

During the year ended 31 December 2024, the Group has not experienced any material difficulties and liquidity problems resulting from the currency exchange rate fluctuation. However, the Group may use financial instruments for hedging purposes as and when required. For the year ended 31 December 2024, the Group did not use any financial instrument for hedging purpose.

EMPLOYEES AND REMUNERATION POLICY

The Group highly values its employees, sharing mutual benefits and growth with them. The Group constantly explores each employee's potential and ability. Likewise, the Group will continue to hire new employees as and when appropriate to support its business development.

As of 31 December 2024, the Group had 414 full-time employees in total in Hong Kong and the PRC. Total staff costs, including Directors' emoluments was RMB65.8 million for the year ended 31 December 2024. Its employees are remunerated based on their qualifications, job nature, performance and working experiences plus reference to the prevailing market rate. Apart from basic remuneration and discretionary bonus, the Group also provides mandatory provident fund scheme to employees in Hong Kong and statutory social welfare contribution to employees in the PRC, adhering to the local laws and regulations.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. LEE Shing Put, B.B.S. (李聖潑), aged 47, is an executive Director, the Chairman of the Board, the chairman of the Nomination Committee and a member of the Remuneration Committee. He was appointed as a member of the Acquisition Committee on 31 May 2024. Prior to joining the Group, Mr. LEE Shing Put, B.B.S. had been engaged in information technology and investment businesses since 2021. Mr. LEE Shing Put, B.B.S. graduated from the Hong Kong University of Science and Technology in 2000 with a bachelor's degree in business administration majoring in finance and economics. Mr. LEE Shing Put, B.B.S. also completed the Executive MBA programme held by Peking University in 2016. Mr. LEE Shing Put, B.B.S. also is Honorary Fellow of The Hong Kong University of Science and Technology. Mr. LEE Shing Put, B.B.S. is an executive director and the Vice Chairman of the Board of Xinyi Solar (stock code: 00968), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). He was also appointed as the Chief Executive Officer of Xinyi Solar since 1 April 2024. Mr. LEE Shing Put, B.B.S. is currently a member of the 13th Guangdong Provincial Standing Committee of the Chinese People's Political Consultative Conference (廣東省政協第十三屆委員會常委) and the Hong Kong Deputy to the 14th National People's Congress. Mr. LEE Shing Put, B.B.S. is a cousin of Mr. LEE Yau Ching, the executive Director, and Mr. TUNG Fong Ngai, the executive Director and the Chief Executive Officer of the Company, and a nephew of Tan Sri Datuk TUNG Ching Sai J.P. , the executive Director and the Vice Chairman of the Board.

EXECUTIVE DIRECTORS

Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* (董清世), aged 59, is an executive Director and the Vice Chairman of the Board. Tan Sri Datuk TUNG Ching Sai *J.P.* has been responsible for the formulation and implementation of the business strategies of the Group since the commencement of construction of the first utility-scale ground-mounted solar farm project at the beginning of 2014. Tan Sri Datuk TUNG Ching Sai *J.P.* joined the Group in December 2013. Tan Sri Datuk TUNG Ching Sai *J.P.* has over 14 years of experience in the power industry and more than 36 years of experience in glass manufacturing industry. Tan Sri Datuk TUNG Ching Sai *J.P.* is currently an executive director and Chief Executive Officer of Xinyi Glass Holdings Limited ("**Xinyi Glass**") (stock code: 00868) and a non-executive director and vice chairman of the board of Xinyi Solar (stock code: 00968), both of which are listed on the main board of the Stock Exchange, and a non-executive director and chairman of the board of Xinyi Electric Storage Holdings Limited (stock code: 08328), a company listed on the GEM of the Stock Exchange.

Tan Sri Datuk TUNG Ching Sai *J.P.* is a member of The National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會委員), standing committee member of The Guangxi Zhuang Autonomous Region of the Chinese People's Political Consultative Conference (中國人民政治協商會議廣西壯族自治區委員會常委), the Vice Chairman of the China Architectural and Industrial Glass Association (中國建築玻璃與工業玻璃協會), a member of the Executive Committee of the All-China Federation of Industry and Commerce (全國工商聯執行委員會委員), chairman of the Happy Hong Kong Foundation, and the president of Hong Kong Industrial & Commercial Association. Tan Sri Datuk TUNG Ching Sai *J.P.* obtained the Third Shenzhen Municipal Ten Outstanding Young Entrepreneurs Award in 2001 and was awarded the Young Industrialist Awards of Hong Kong in 2006. Tan Sri Datuk TUNG Ching Sai *J.P.* obtained from the Sun Yat-Sen University a Senior Executive Master's Degree in Business Administration in 2007.

Tan Sri Datuk TUNG Ching Sai *J.P.* is an uncle of Mr. LEE Shing Put, B.B.S, an executive Director and the Chairman of the Board and Mr. TUNG Fong Ngai, an executive Director and the Chief Executive Officer of the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Mr. TUNG Fong Ngai (董貺漄), aged 37, is an executive Director, the Chief Executive Officer and the chairman of the Acquisition Committee. Mr. TUNG Fong Ngai is principally responsible for overseeing the daily business operations of the Group and evaluating potential solar farm acquisition and investment opportunities. Mr. TUNG Fong Ngai joined the Group in March 2016. Since then, Mr. TUNG Fong Ngai has been overseeing the Solar Farm Operation Business. Mr. TUNG Fong Ngai joined Xinyi Glass in September 2012 as an executive assistant and was mainly responsible for project-related supervision and coordination. During the period between November 2012 and March 2016, Mr. TUNG Fong Ngai was the Chief Operating Officer of Xinyi Electronic Glass (Wuhu) Company Limited, a subsidiary of Xinyi Glass.

Mr. TUNG Fong Ngai graduated from the University of Melbourne with a bachelor's degree in Commerce in 2010 and obtained a master's degree in business administration from Tsinghua University in 2012. Mr. TUNG Fong Ngai is currently a committee member of Shenzhen Bao'an District of the Chinese People's Political Consultative Conference.

Mr. TUNG Fong Ngai is a nephew of Tan Sri Datuk TUNG Ching Sai *J.P.*, an executive Director and the Vice Chairman of the Board and a cousin of Mr. LEE Shing Put, B.B.S., an executive Director and the Chairman of the Board.

Mr. LEE Yau Ching (李友情), aged 49, is an executive Director. He was appointed as a member of Acquisition Committee on 31 May 2024. Mr. LEE Yau Ching is mainly responsible for formulating the overall business strategies of the Group and planning and identifying suitable acquisition opportunities of solar farm projects. Mr. LEE Yau Ching joined the Group in December 2013 and has over 9 years of experience in the power industry. Mr. LEE Yau Ching is currently an executive director of Xinyi Solar (stock code: 00968), a company listed on the main board of the Stock Exchange. He was the Chief Executive Officer of Xinyi Solar from November 2010 to March 2024.

Upon graduating from The Hong Kong University of Science and Technology in 1999 with a bachelor's degree in business administration majoring in finance, Mr. LEE Yau Ching joined Xinyi Glass in June 1999. From June 1999 to February 2004, Mr. LEE Yau Ching worked in various departments of Xinyi Glass, including overseas sales, finance, production and sales of construction glass and production and sales of automobile glass. From February 2004 to January 2006, Mr. LEE Yau Ching was the Chief Marketing Officer of Xinyi Glass and was responsible for planning the overall marketing strategy and overseeing the marketing department. From February 2006 to February 2011, Mr. LEE Yau Ching was the Chief Operation Officer of Xinyi Glass. Mr. LEE Yau Ching has started the management of the Solar Glass Business from the middle of 2006. From November 2010 to March 2024, he has been the Chief Executive Officer of Xinyi Solar and is mainly responsible for overseeing the business and daily operation of the Xinyi Solar Group. Mr. LEE Yau Ching was awarded the "Young Industrialist Awards of Hong Kong 2014".

Mr. LEE Yau Ching is a cousin of Mr. LEE Shing Put, B.B.S., an executive Director and the Chairman of the Board.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEUNG Ting Yuk (梁廷育), aged 50, was appointed as an independent non-executive Director since November 2018. Mr. LEUNG is also the chairman of the Audit Committee and the member of each of the Remuneration Committee, Nomination Committee and Acquisition Committee. Mr. LEUNG obtained a bachelor's degree of Commerce with major in accounting from University of Wollongong, Australia. Mr. LEUNG is a member of the Certified Practicing Accountants, Australia and the Hong Kong Institute of Certified Public Accountants. Mr. LEUNG has over 20 years of experience in financial management, accounting and auditing.

Mr. LEUNG is an independent non-executive director of Yanchang Petroleum International Limited (stock code: 00346), Most Kwai Chung Limited (stock code: 01716) and Tai United Holdings Limited (stock code: 00718), all of them are listed on the main board of the Stock Exchange.

The Hon. IP Kwok Him, G.B.M., G.B.S., J.P., (葉國謙), aged 73, is an independent non-executive Director since November 2018. He is also the chairman of the Remuneration Committee and the member of each of the Audit Committee, Nomination Committee and Acquisition Committee. The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. is currently the Chairman of Hon Wah Educational Organization, the Deputy Chairman of The Private Columbaria Licensing Board and the Party Affairs Advisor to the Democratic Alliance for Betterment and Progress of Hong Kong. The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. was awarded the J.P. in 1999, the Grand Bauhinia Medal in 2017 and the Gold Bauhinia Star in 2004.

The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. was a deputy to the National People's Congress of the Hong Kong SAR from 2003 to 2023. Since 1999, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. has successively served as a member of the Central and Western District Council, a member of the Provisional Legislative Council, a member of the Legislative Council, and a non-official member of the Executive Council of the government of the HKSAR.

The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. is an independent non-executive director of ICO Group Limited (stock code: 01460), a company listed on the main board of the Stock Exchange and Well Link Securities Holdings Limited (stock code: 8350), a company listed on the GEM of the Stock Exchange.

Ms. LYU Fang (呂芳), aged 46, is an independent non-executive Director since November 2018. She is also the member of each of the Audit Committee, Remuneration Committee, Nomination Committee and Acquisition Committee. Ms. LYU Fang has been the senior engineer of Renewable Energy System Department at the Electrical Engineering Institute, Chinese Academy of Sciences, mainly responsible for advising national solar power rules and policies, and carrying out technical training in solar industry. Ms. LYU Fang has 26 years of experience in strategy and policy study on large-scale use of photovoltaic power. Over the years, Ms. LYU Fang has been responsible for numerous solar energy-related researches and projects conducted by the Ministry of Science and Technology of the People's Republic of China and the National Energy Administration of China. Ms. LYU Fang was the Secretary General of Solar Photovoltaic Committee of China Renewable Energy Society. Ms. LYU Fang is the Secretary General of China Green Supply Chain Alliance (中國綠色供應鏈聯盟) Photovoltaic Commission (光伏專案會) of the Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和信息化部), a committee of Expert Committee of All-China Environment Federation and a member of Professional Committee of Carbon Inclusive of All-China Environment Federation. Ms. LYU Fang is also acting as the Chinese Representative of a photovoltaic power research project, Task 1, international vice chairlady at the International Energy Agency Photovoltaic Power Systems Program. Ms. LYU Fang is currently a committee member of the 5th Xiuzhou District, Jiaxing City of the Chinese People's Political Consultative Conference. Ms. LYU Fang obtained a bachelor's degree in economics from Beijing Wuzi University in 1999.

Ms. LYU Fang is an independent non-executive director of GoodWe Technologies Co.,Ltd. (固德威技術股份有限公司) (stock code: 688390.SS) and Arctech Solar Holding Co., Ltd. (江蘇中信博新能源科技股份有限公司) (stock code: 688408.SS), both of which are listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange. Ms. LYU Fang also is an independent non-executive director of Jiangsu Zerun New Material Co., Ltd (江蘇澤潤新能科技股份有限公司).

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. XIA Xin (夏鑫), aged 41, is the operation controller of the Group. Mr. XIA Xin joined the Group as an operation controller in January 2017 and has been responsible for the overall operation and maintenance management of the solar farm projects of the Group. From March 2015 to December 2016, Mr. XIA Xin worked in Xinyi Solar Group and was mainly responsible for construction quality control as well as managing the operation and maintenance of solar farm projects. Mr. XIA Xin has over 13 years of experience in the photovoltaic industry, and has engaged in the design and development of photovoltaic products and credential management, technical support, testing of photovoltaic system parts and systems, design of photovoltaic systems and standard formulations in Jiangxi LDK Solar High-Tech Company Limited., CQC-Trusted Testing Technology Company Limited and Energy Trend New Energy System Research Institute (中盛新能源系統研究院). Mr. XIA Xin graduated from Nanjing Institute of Technology (南京工程學院) with a bachelor's degree of Engineering; Nanchang University(南昌大學) with a master's degree in electrical engineering and Nanjing University(南京大學) with a master's degree in business administration.

Mr. LI Jiang Yong (李江勇), aged 45, is the acquisitions controller of the Group. Mr. LI Jiang Yong joined the Group as an acquisitions controller in January 2017 and has been responsible for the overall acquisitions of solar plants from third parties. From April 2016 to December 2016, Mr. LI Jiang Yong worked in Xinyi Solar Group and was mainly responsible for the construction quality control of solar plants. Mr. LI Jiang Yong has over 13 years of experience in the photovoltaic industry, and has engaged in the research and development of photovoltaic products, testing of photovoltaic system parts and systems, design of photovoltaic systems and standard formulations in China Sunergy (Nanjing) Company Limited. and CQC-Trusted (Jiangsu) Testing Technology Company Limited. Mr. LI Jiang Yong graduated from Tianjin University of Technology with a master's degree in condensed matter physics in 2008.

Mr. CHAN Ka Lun (陳嘉倫), aged 42, joined the Group as financial controller in July 2024 and has been mainly responsible for monitoring the financial operation of the Group. He is also the assistant company secretary of the Company. Prior to joining the Group, Mr. CHAN Ka Lun worked for Xinyi Solar from September 2023 to June 2024 and was responsible for monitoring the financial operation of Xinyi Solar. Prior to joining Xinyi Solar, Mr. CHAN Ka Lun worked in an international accounting firm for more than 10 years. Mr. CHAN Ka Lun has extensive experience in auditing and accounting. Mr. CHAN Ka Lun is a fellow member of Association of Chartered Certified Accountants. Mr. CHAN Ka Lun obtained a master's degree in professional accounting from The Hong Kong Polytechnic University in 2021.

COMPANY SECRETARY

Mr. CHU Charn Fai (朱燦輝), aged 55, is the Company Secretary of the Company. Mr. CHU Charn Fai is currently the executive director, financial controller and company secretary of Xinyi Solar (stock code: 00968), a company listed on the main board of the Stock Exchange. Mr. CHU Charn Fai joined Xinyi Solar in April 2011. Prior to joining Xinyi Solar, Mr. CHU Charn Fai was the financial controller of Minmetals Resources Limited (currently known as MMG Limited) (stock code: 01208), a company listed on the main board of the Stock Exchange, from August 2002 to August 2010. Mr. CHU Charn Fai started working with Minmetals Resources Limited in February 1998 and held various positions in the finance department during the period up to July 2002 and before which, Mr. CHU Charn Fai worked in an international accounting firm for around four years. Mr. CHU Charn Fai received a master's degree in corporate finance from The Hong Kong Polytechnic University in 2006. Mr. CHU Charn Fai is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE REPORT

The Board recognises the importance of good corporate governance in the management structure and internal control procedures of the Group for the purpose of ensuring that all business activities of the Group and the decision-making process are properly regulated and are in full compliance with the applicable laws and regulations. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the "**CG Code**") set forth in Part 2 of the Appendix C1 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year of 2024.

In the opinion of the Board, the Company has complied with the applicable principles and code provisions of the CG Code for the year ended 31 December 2024.

The Board is collectively responsible for the long-term success of the Company. Its key responsibilities include providing leadership and supervision to the Management with a view to protecting the Shareholders' interests and enhancing Shareholders' long-term value.

The Board has established the Group's purpose, values and strategies and was satisfied that they are aligned with the Group's culture. All Directors must act with integrity, lead by example, and promote the desired culture. The Board should instill and continually reinforce across the Company's values of "acting lawfully, ethically and responsibly".

During the year ended 31 December 2024, the Board closely monitored the implementation of corporate governance practice, risk management and internal control systems to ensure the corporate value and the Company's culture are aligned.

BOARD OF DIRECTORS

One of the responsibilities of the Board is to prevent fraud and non-compliance issues, safeguard the assets of the Group and formulate the overall business strategies for the Group. The Board currently comprises four executive Directors and three independent non-executive Directors. Details of the Directors are set forth on pages 13 to 15 in this annual report.

The four executive Directors are Mr. LEE Shing Put, B.B.S., Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. TUNG Fong Ngai and Mr. LEE Yau Ching. Mr. LEE Shing Put, B.B.S. and Mr. TUNG Fong Ngai are nephew of Tan Sri Datuk TUNG Ching Sai *J.P.*. Mr. LEE Shing Put, B.B.S. is a cousin of Mr. LEE Yau Ching and Mr. TUNG Fong Ngai.

The three independent non-executive Directors are Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang.

The Company has complied with Rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive directors, one independent non-executive director of which has the appropriate professional qualifications or accounting or related finance management expertise and the independent non-executive directors represent at least one-third of the Board.

The articles of association (the "**Articles**") of the Company provide that at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall subject to retirement by rotation at least once every three years. Where there is any casual vacancy in the Board, candidates will be proposed and put forward to the Board for consideration and approval, with a view to appointing to the Board individuals with the appropriate capabilities to fill the casual vacancy.

CORPORATE GOVERNANCE REPORT

Mr. LEE Shing Put, B.B.S. is the Chairman of the Group and Mr. TUNG Fong Ngai is the Chief Executive Officer of the Group. The Chairman is responsible for managing and providing leadership to the Board. He is also responsible for ensuring that the Group has maintained strong and effective corporate governance practices and procedures. The Chief Executive Officer is responsible for the day-to-day management of the business of the Group. With the assistance of other members of the Board and other senior management, the Chief Executive Officer closely monitors the operating and financial results of the Group, identifies any weakness in the operation and takes all necessary and appropriate steps to remedy such weakness. He is also responsible for formulating the future business plans and strategies of the Group for the Board's approval.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a specific term of not more than three years. All of the independent non-executive Directors have satisfied the independence criteria and have made their confirmations of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors have fulfilled the independence guidelines set forth under Rule 3.13 of the Listing Rules.

The table below sets forth the number of meetings of the Board and the general meetings in 2024 and individual attendance of each Director at these meetings:

	Number of meetings attended/ eligible to attend	
	General meeting	**Board meeting**
Executive Directors		
LEE Shing Put	2/2	4/4
TUNG Ching Sai	2/2	4/4
TUNG Fong Ngai	2/2	4/4
LEE Yau Ching	2/2	4/4
Independent non-executive Directors		
LEUNG Ting Yuk	2/2	4/4
IP Kwok Him	2/2	4/4
LYU Fang	2/2	4/4

The Board is responsible for the formulation of the overall strategies and objectives of the Group, monitoring and evaluating the operating and financial performance, the review of the corporate governance measures and supervision of the overall management of the Group. The senior management of the Group is responsible for the implementation of the business strategies and the day-to-day operations of the Group under the leadership of the Chief Executive Officer. The Directors have full access to all the information of the Group in relation to the business operation and financial performance of the Group. Senior management of the Group also provides the Directors from time to time with information on the business operation of the Group.

CORPORATE GOVERNANCE REPORT

MECHANISM REGARDING INDEPENDENT VIEWS TO THE BOARD

The Board has implemented different ways to ensure independent views and input are available to the Board (the "**Mechanism**"). The Board will conduct annual review on the implementation and effectiveness of the Mechanism and the results will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 31 December 2024, the Board reviewed the implementation and effectiveness of the Mechanism and the results were satisfactory.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Directors are reminded of their obligations under the Model Code on a regular basis. Having made specific enquiries with the Directors, all Directors confirmed that they had complied with the required standard of dealings as set forth in the Model Code during the year ended 31 December 2024.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board comprises five members, namely Mr. LEE Shing Put, B.B.S., Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. The chairman of the Remuneration Committee is The Hon. IP Kwok Him, G.B.M., G.B.S., J.P..

The primary duties of the Remuneration Committee include reviewing the terms of the remuneration of and making recommendations to the Board on the remuneration of the Directors and senior management and reviewing and approving matters related to share schemes. The Remuneration Committee was established on 22 November 2018 and its terms of reference are posted on the websites of the Company and the Stock Exchange.

During the year ended 31 December 2024, one meeting of the Remuneration Committee was held for reviewing the directors' fee and remuneration of directors for the following year and all the committee members attended this meeting.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors of the Company) by band for the year ended 31 December 2024 is set forth below:

In the band of:	**Number of individuals**
Nil to HK$1,000,000	3

Details of the Directors' remuneration is set forth in Note 10 to the consolidated financial statements in this annual report.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee of the Board comprises three independent non-executive Directors, namely Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. The chairman of the Audit Committee is Mr. LEUNG Ting Yuk.

The Audit Committee assists the Board to review the financial reporting process, evaluate the effectiveness of internal control and risk management systems and oversee the auditing processes of the Group. The Audit Committee was established on 22 November 2018 and its terms of reference are posted on the websites of the Company and the Stock Exchange. The Audit Committee held three meetings during the year ended 31 December 2024 for reviewing the annual and interim financial results and reports, the financial reporting and compliance procedures, internal control and risk management systems, scope of work and appointment of external auditors. All the committee members attended these meetings.

NOMINATION COMMITTEE

The Nomination Committee of the Board comprises five members, namely Mr. LEE Shing Put, B.B.S., Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. The chairman of the Nomination Committee is Mr. LEE Shing Put, B.B.S..

The primary duties of the Nomination Committee are to review the structure, size and diversity of the Board on a regular basis, assess the independence of independent non-executive Directors of the Company, and make recommendations to the Board regarding the appointment, retirement and re-election of Directors. The Nomination Committee was established on 22 November 2018 and its terms of reference are posted on the websites of the Company and the Stock Exchange. During the year ended 31 December 2024, one meeting of the Nomination Committee was held for annual review of board structure and diversity and, independence of independent non-executive Directors and all the committee members attended this meeting.

NOMINATION POLICY

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- Reputation for integrity;
- Achieve board diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Merit and contribution that candidate will bring to the Board;
- Compliance with the criteria of independence as prescribed under the Listing Rules for the appointment of an independent non-executive director if the proposed candidate will be nominated as an independent non-executive director; and
- Able to devote sufficient time and attention to the Company's business.

The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board and the appointment or re-appointment of Directors and succession planning for Directors is subject to the approval of the Board.

Procedures for shareholders' nomination of any proposed candidate for election as a director are stated in "Mechanisms available for shareholders to propose a person for election as a director of the Company" and disclosed in the Company's website.

BOARD DIVERSITY

The Board considers that its diversity is a vital asset to the business and has adopted a board diversity policy for better transparency and governance. Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company adopted the board diversity policy (the "**Diversity Policy**") as required by the CG Code in November 2018. The Nomination Committee will discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption, as set forth in the Diversity Policy of the Company.

The members of the Board, who come from a variety of different backgrounds, have a diverse range of business, and professional expertise. The table below sets forth an analysis of the Board's current composition based on the measurable objectives:

Measurable objective	Category	Number of Director
Gender	Male	6
	Female	1
Age	20-40	1
	41-60	5
	Over 60	1
Professional expertise	Information technology	1
	Power industry	4
	Finance	1
	Public administration	1

Based on the foregoing, the composition and diversity of the Board enable the management to benefit from a diverse and objective external perspective, on issues raised before the Board.

Brief biographical particulars of the Directors, together with information relating to the relationship among them, are set forth on pages 13 to 15 in this annual report.

The Board currently has one female Director and has achieved gender diversity in respect of the Board. The Company targets to maintain at least the current level of female representation on the Board and strive to ensure the Board is made up of a reasonable and appropriate proportion of female members by reference to stakeholders' expectations and international and local recommended best practices and the pool of qualified candidates.

CORPORATE GOVERNANCE REPORT

As of 31 December 2024, among the 414 employees (including senior management) of the Group, the percentages of male employees and female employees are 93% and 7%, respectively. Taking into account the business models and operational needs of the Group, the Board believes that appropriate balance of gender diversity of workforce is maintained taking into account the business models and operational needs.

The Nomination Committee was of the opinion that the Board consisted of members with diversified gender, age, cultural and education background, professional/business experience, skills and knowledge. No new Director had been appointed during the year. Further details for the diversity, including the gender diversity, in the workforce during the year ended 31 December 2024 are set forth in the Environmental, Social and Governance Report dated 30 April 2025 of the Company.

ACQUISITION COMMITTEE

The Acquisition Committee of the Board comprises six members, namely Mr. TUNG Fong Ngai, Mr. LEE Shing Put, B.B.S., Mr. LEE Yau Ching, Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. The chairman of the Acquisition Committee is Mr. TUNG Fong Ngai.

The primary duties of the Acquisition Committee are to consider and approve acquisitions of the utility-scale ground-mounted solar farm projects and review, evaluate investment projects and issue opinion for long-term development plan of the Company and make recommendations to the Board. The Acquisition Committee was established on 22 November 2018 and its terms of reference are posted on the websites of the Company and the Stock Exchange. During the year ended 31 December 2024, one meeting of the Acquisition Committee was held for discussing and approving of the acquisition of eight solar farms from Xinyi Solar.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities in (i) overseeing the preparation of the financial statements of the Group with a view to ensure that such financial statements give a true and fair view of the state of affairs of the Group and (ii) selecting suitable accounting policies, applying the selected accounting policies consistently, and making prudent and reasonable judgments and estimates for the preparation of the financial statements of the Group. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the auditors of the Company regarding their reporting responsibilities on the financial statements of the Group is set forth in the Independent Auditor's Report on pages 45 to 52 in this annual report.

AUDITORS' REMUNERATION

For the year ended 31 December 2024, the professional fees paid/payable to the external auditor of the Company in respect of audit services and non-audit services provided by the auditor to the Group were as follows:

Auditor remuneration	**RMB'000**
– Audit services	1,295
– Non-audit services	–

RISK MANAGEMENT AND INTERNAL CONTROL

The Board and the management of the Group maintain a sound and effective system of risk management and internal control so as to ensure the effectiveness and efficiency of the operations of the Group in achieving the established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations. The systems are designed to provide reasonable but not absolute assurance against material misstatement or loss, and to manage rather than eliminate risk of failure to meet the business objectives of the Group.

The key elements of the Group's risk management and internal control structure are as follows:

- Well-defined organisational structure with appropriate segregation of duties, limit of authority, reporting lines and responsibilities to minimise risk of errors and abuse;
- Clear and written policies and procedures have been established and regularly reviewed for major functions and operations;
- Important business functions or activities are managed by experienced, qualified and suitably trained staff;
- Continuous monitoring of the key operating data and performance indicators, timely and up-to-date business and financial reporting, immediate corrective actions are taken where necessary; and
- Internal audit function to perform independent appraisal of major operations on an ongoing basis.

Through the Audit Committee and the internal audit team, the Board has conducted an annual review on the effectiveness of risk management and internal control systems of the Group for the year ended 31 December 2024.

A risk-based approach is adopted to ensure that a methodical coverage of the Group's operations and resources are focused on high risk areas. The internal audit team takes the lead to evaluate the risk management and internal control systems of the Group by reviewing the major operations of the Group every year. The review covers all material controls including financial, operational and compliance controls. Review results and recommendations in the form of written reports are submitted to the Audit Committee for discussion and review. Follow up actions will be taken up by the internal audit team to ensure that findings previously identified have been properly resolved.

Based on the results of the internal control review for the year ended 31 December 2024 and the assessment of the Audit Committee thereon, no significant deficiency in risk management and internal controls systems are noted. The Board therefore is satisfied that appropriate and effective risk management and internal control systems have been maintained for the year ended 31 December 2024.

INSIDE INFORMATION POLICY

The Company has established an inside information policy which contains the guidelines to the directors, officers and all relevant employees (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to public in equal and timely manner in accordance with the applicable laws and regulation.

CORPORATE GOVERNANCE REPORT

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company provides to all the Directors a comprehensive induction package which includes introduction on the business operations, internal procedures and general policy of the Company and a summary of statutory and regulatory obligations of directors under the Listing Rules and other relevant laws and regulations. During the year, all the Directors are provided with regular updates on the Group's business, operations, risk management and corporate governance matters to enable the Board as a whole and each Director to discharge their duties. The Directors are also encouraged to attend both in-house training and training provided by independent service providers. Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged where necessary.

All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and confirmed that they have complied with the code provision C.1.4 of the CG Code.

COMPANY SECRETARY

The Company Secretary is Mr. CHU Charn Fai, a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. CHU Charn Fai is the financial controller, company secretary and executive director of Xinyi Solar. He assists the Board by ensuring good information flow within the Board and that the policy and procedures of the Board are followed. For the year ended 31 December 2024, Mr. CHU Charn Fai has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

(i) Procedures for Shareholders to convene a general meeting and putting forward proposals

Pursuant to Article 58 of the articles of association (the "**Articles**") of the Company, an extraordinary general meeting ("**EGM**") shall also be convened and resolutions to a meeting agenda shall be added 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, on a one vote per share basis in the share capital of the Company. Such requisition shall be made in writing to the Board or the Company Secretary of the Company for the purpose of requiring an EGM to be called by the Board for the transaction 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) himself (themselves) may convene a physical meeting at only one location, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The requisition(s) may added resolutions to a general meeting agenda.

(ii) Procedures for which enquiries may be put to the Board

Shareholders may at any time send their enquiries and concerns with sufficient contact details to the Board at the principal place of business of the Company in Hong Kong for the attention of the Company Secretary or via e-mail to "ir@xinyienergy.com.hk".

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company endeavours to develop and maintain continuing relationships and effective communications with its Shareholders and investors. In an effort to facilitate and enhance the relationships and communication, the Company has established a shareholders communication policy. The Board reviewed the implementation and effectiveness of the shareholders communication policy and the results were satisfactory. The Company has established the following channels:

(i) the annual general meeting provides a forum for the shareholders to raise comments and exchange views with the Board. The Directors are available at the annual general meeting of the Company to address Shareholders' queries;

(ii) the Company maintains a website at www.xinyienergy.com, where updated key information/news of the Group is available for public access;

(iii) interim and annual results are announced as early as possible, to keep the Shareholders informed of the Group's performance and operations;

(iv) investor, analyst and media briefing are held as practicable after the publication of the interim and annual results;

(v) the Company's management may meet with Shareholders, potential investors and research analysts upon request and provide update of the latest business development of the Group and answer their queries in accordance with the Group's Inside Information Policy; and

(vi) Shareholders shall direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited.

CONSTITUTIONAL DOCUMENTS

There were no change to the Company's constitutional documents during the year ended 31 December 2024. The Company's constitutional documents is available on the websites of the Company and the Stock Exchange.

REPORT OF THE DIRECTORS

The Directors are pleased to present their report and the consolidated audited financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the subsidiaries are principally engaged in the operations and management of solar farms in the PRC. Particulars of the subsidiaries are set forth in Note 14 to the consolidated financial statements in this annual report.

BUSINESS REVIEW AND OUTLOOK

A business review of the Group and further discussion and analysis of these activities of the Group for the year ended 31 December 2024 and the future development are set forth in the Chairman's Statement from pages 4 to 6 and Management Discussion and Analysis from pages 7 to 12 of this annual report. These discussions form part of this Report of the Directors.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set forth in the consolidated income statement on page 53 in this annual report. During the year, an interim dividend of 2.3 HK cents per share, amounting to a total of approximately RMB177.8 million, was paid to the Shareholders in cash or partially settled by the issuance of 113,719,155 scrip shares in respect of scrip dividend on 16 October 2024.

FINAL DIVIDEND

At the meeting of the Board held on 28 February 2025, the Directors proposed a final dividend (the "**Final Dividend**") of 2.7 HK cents per share for the year ended 31 December 2024. The recommendation of payment of the Final Dividend is subject to the approval of the Shareholders at the AGM to be held on Friday, 30 May 2025. If approved by the Shareholders, it is expected that the Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Monday, 9 June 2025.

Shareholders will be given an option to receive the Final Dividend in cash or wholly or partly in new and fully paid shares of the Company in lieu of cash. The scrip dividend scheme (the "**Scrip Dividend Scheme**") is subject to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the listing of and permission to deal in the new shares to be allotted and issued under the Scrip Dividend Scheme.

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commenced on Tuesday, 3 June 2025 until Monday, 9 June 2025 (both days inclusive) rounded down to two decimal places.

REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICIES AND PERFORMANCE

As a pure solar farm owner and operator, the Group's business model is to acquire, own, and manage a portfolio of utility scale ground-mounted solar farm projects and sell the electricity to local subsidiaries of two state-owned grid enterprises in the PRC. Without involvement of solar farm development and construction, as well as 100% electricity generation from solar power, negative effects of the Group's daily operation on the environmental are relatively low compared to that of traditional fuel-based power companies. Furthermore, the Group has and will endeavor to minimise negative effects by adopting various methods, like using rainwater and applying other technologies for cleaning solar panels to reduce water consumption, implementing nationwide centralised surveillance system for remote monitoring to lower energy and electricity consumption.

In contrast to the negative impacts, electricity generated from solar farms is a clean and renewable energy, which can replace a portion of fuel-based power, and as a result, will mitigate greenhouse-gas emissions. Therefore, to increase the usage of renewable energy is highly important for the world to achieve the UN Sustainable Development Goals. The volume of electricity sold by the Group's solar farms in 2024 was approximately 4.47 billion kWh, as compared to 3.82 billion kWh in 2023, offsetting around 3.67 million tons of CO_2 emission.

The Group's operations strictly comply with all applicable environmental laws and regulations in all material aspects, including the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes, etc. During the year ended 31 December 2024, the Group was not aware of any non-compliance with any applicable laws and regulations that have a material impact on the Group relating to environmental protection as well as energy and resources consumption.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

An environmental, social and governance ("**ESG**") report for the year ended 31 December 2024 of the Group will be published on the websites of the Company and the Stock Exchange at the same time as the publication of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year under review and to the best knowledge of the Company's Directors, the Group had obtained and completed all material licenses, certifications, permits and registration necessary for its business operations, and that the Group had complied in all material aspects with all laws, rules and regulations that have a significant impact on the Group's business and operations.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

The Group values relationships with, and have been maintaining good relationships with its customers, equipment suppliers and the employees of the Group. During the year ended 31 December 2024, there were no material dispute between the Group and its customers, suppliers and employees.

DONATION

Donations by the Group for charitable and other purposes during the year ended 31 December 2024 amounted to RMB1.7 million (2023: RMB5.3 million).

REPORT OF THE DIRECTORS

PRINCIPAL RISKS AND UNCERTAINTIES

The business performance of the Group is subject to the following principal risks and uncertainties:

- Trade and tariff adjustment receivables arising from sales of electricity were all due from state-owned grid enterprises, the State Grid Corporation and the China Southern Power Grid. The delay in receiving the tariff adjustment receivables may affect the business and financial condition, cash flow and liquidity of the Group.
- Climate change, unpredictable weather patterns and grid consumption can cause output of power generation shortfalls and fluctuate significantly.

All of the above factors may adversely and materially affect the Group's operating results and profitability.

Details of the Group's exposure to foreign exchange risk and other financial risks are set forth in the paragraphs under "Treasury Policies and Exposure to Fluctuation in Exchange Rates" in the Management Discussion and Analysis on pages 12 and the paragraphs under "Financial Risk Management" in Note 3 to the consolidated financial statements in this annual report.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set forth in the section headed "Financial Summary" in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the Group's property, plant and equipment during the year ended 31 December 2024 are set forth in Note 16 to the consolidated financial statements in this annual report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2024 are set forth in Note 21 to the consolidated financial statements in this annual report.

RESERVES

Details of movements in the reserves of the Group and of the Company during the financial year are set forth in Note 23 to the consolidated financial statements in this annual report.

DISTRIBUTABLE RESERVES

Under the BVI Business Companies Act, as of 31 December 2024 and without taking into account the proposed Final Dividend of 2.7 HK cents per Share for the year then ended, share premium amounting to approximately RMB5,845.1 million (2023: RMB6,137.4 million) and retained earnings of RMB6,180.4 million (2023: RMB5,529.7 million) was distributable to the Shareholders, subject to the condition that immediately following the date on which the distribution or dividend is proposed to be made, the Company is able to pay its debts as they fall due in the ordinary course of business.

As of 31 December 2024, the Company does not have reserves available for cash distribution and/or distribution, as computed in accordance with the BVI Business Companies Act.

REPORT OF THE DIRECTORS

DIVIDEND POLICY

In considering the payment of dividends, the Board shall maintain adequate cash reserves for meeting its working capital requirements and strike a proper balance between future business growth and rewarding the Shareholders of the Company.

Provided that the daily working capital needs of the Group can be satisfied and funding has been reserved for future development, the Company intends to maintain a relatively stable dividend distribution ratio. However, the Company's dividend distribution record in the past does not necessarily imply that the same level of dividends may be declared or paid by the Company in the future.

In proposing any dividend payout, the Board shall take into account the financial performance and cash flow situation of the Group, future expansion plans and capital requirements, interests of Shareholders, contractual restrictions on payment of dividends, taxation considerations, statutory and regulatory restrictions, general economic conditions, business cycle of the Group's business and any other factors that the Board may consider relevant.

The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's memorandum and articles of association.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the applicable laws of the British Virgin Islands where the Company was incorporated, which would oblige the Company to offer new shares on a pro-rate basis to the existing Shareholders.

DIRECTORS

The Directors of the Company during the year ended 31 December 2024 were:

Executive Directors

Mr. LEE Shing Put, B.B.S. *(Chairman)*
Tan Sri Datuk TUNG Ching Sai *J.P.* *(Vice Chairman)*
Mr. TUNG Fong Ngai *(Chief Executive Officer)*
Mr. LEE Yau Ching

Independent non-executive Directors

Mr. LEUNG Ting Yuk
The Hon. IP Kwok Him, G.B.M., G.B.S., J.P.
Ms. LYU Fang

In accordance with article 102 of the Company's Articles, Tan Sri Datuk TUNG Ching Sai *J.P.,* The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang will retire and being eligible, offer themselves for re-election at the AGM.

REPORT OF THE DIRECTORS

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from the independent non-executive Directors the confirmations of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming AGM has entered or has proposed to enter into any service agreements with the Company or any other member of the Group which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' REMUNERATION

The emoluments of the Directors are recommended by the Remuneration Committee and are decided by the Board, taking into account the Group's operating results, individual performance as well as market trends and practices. The Company's policies concerning remuneration of the executive Directors are:

(i) the amount of remuneration is determined on the basis of the relevant executive Director's experience, responsibility, workload and the time devoted to the Group;

(ii) non-cash benefits may be provided to the executive Directors under their remuneration package;

(iii) the executive Directors may be granted, at the discretion of the Board, options pursuant to the share option of the Company, as part of their remuneration package; and

(iv) annual Director's fees are as follows:

Chairman of the Audit Committee: HK$280,000 for the year ended 31 December 2024.

All other Directors: HK$250,000 for the year ended 31 December 2024.

During the year ended 31 December 2024, three Directors waived the Director's fees of aggregate amount of HK$750,000 to be received by them from the Company. Details of the remuneration of the Directors are set forth in Note 10 to the consolidated financial statements in this annual report.

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

Except for the connected transaction and continuing connected transaction disclosed on pages 40 to 42 in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") in November 2018. The following table sets forth movements in the share options of the Company for the year ended 31 December 2024:

	Grant date	Exercise price *(HK$)*	Closing price of the Company's shares immediately before the grant date *(HK$)*	Vesting period	Exercise period	Number of share options As at 1/1/2024	Granted	Exercised	Cancelled	Lapsed	As at 31/12/2024
Continuous contract employees	31/3/2020	2.18	2.08	31/3/2020-31/12/2022	1/4/2023-31/3/2024	1,696,790[1]	–	–	–	(1,696,790)	–
	31/3/2021	3.78	3.81	31/3/2021-31/12/2023	1/4/2024-31/3/2025	2,298,749[1]	–	–	(368,281)	–	1,930,468
	31/3/2022	4.76	4.86	31/3/2022-31/12/2024	1/4/2025-31/3/2026	2,672,534[1]	–	–	(425,326)	–	2,247,208
	1/6/2023	2.26	2.26	1/6/2023-31/12/2025	1/4/2026-31/3/2027	3,955,000[1]	–	–	(437,000)	–	3,518,000
	28/3/2024	1.12	1.09	28/3/2024-31/12/2026	1/4/2027-31/3/2028	–	3,500,000	–	(394,000)		3,106,000
Total						10,623,073	3,500,000	–	(1,624,607)	(1,696,790)	10,801,676

Note:

(1) Ms. CHENG Shu E was retired as the executive director of the Company on 2 June 2023. Her share options were reallocated into the category of continuous contract employees.

During the year ended 31 December 2024, 3,500,000 share options were granted. The fair value of the equity-settled share options granted under the Share Option Scheme during the year was estimated at RMB1,025,000. The value of the share options granted during the year ended 31 December 2024 is to be expensed through the consolidated income statement of the Group over the three-year vesting period of the share options.

REPORT OF THE DIRECTORS

The fair value of share options granted during the year ended 31 December 2024 was determined in accordance with the valuation performed by an independent valuer using the Black-Scholes option pricing model. Such model is one of the commonly used models to estimate the fair value of an option. The significant variables and assumptions used in computing the fair value of the share options are set forth in the table below. 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.

Share price at the grant date (HK$)	1.11
Exercise price (HK$)	1.12
Volatility (%)	51.22
Dividend yield (%)	5.41
Expected share option life (years)	3.51
Annual risk-free rate (%)	3.40

The number of share options available for grant under the Share Option Scheme was 651,566,772 share options as of 1 January 2024 and 648,066,772 share options as of 31 December 2024.

The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the year ended 31 December 2024 divided by the weighted average number of the Shares in issue for the year ended 31 December 2024 is 0.04%.

During the year ended 31 December 2024, a total of 3,500,000 share options granted to the senior management and the employees of the Group (the "**Grantees**"), among of which 1,166,666 share options, representing one third of the total share options granted, vested on 31 December 2024. Having considered that (i) such share options vested where the performance target are satisfied during the performance period commenced from 1 January 2024 and ended on 31 December 2024, which is not less than 12 months, and (ii) the total vesting and holding period of the share options is more than 12 months, the Remuneration Committee and the Board considered that the grant of such share options with a shorter vesting period could align the interests of the Grantees with that of the Company and the Shareholders, reward and provide incentive to the Grantees to work towards success of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the Share Option Scheme.

The vesting of the share options granted to the Grantees is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion. The Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales target of the Group as a whole and of the applicable business. Also, the Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group.

There is no clawback mechanism attached to the share options granted to the Grantees. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions the grantees had or may have made to the Group. The Share Option Scheme also provides the grantees with an opportunity to have a personal stake in the Company with the view to satisfied the objectives of (i) motivate the grantees to optimise their performance efficiency for the benefit of the Group and (ii) attract and retain or otherwise maintain on-going business relationship with the grantees whose contributions are or will be beneficial to the long-term growth of the Group. Having considered that (i) the Grantees are the senior management and the employees of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; (ii) the grant of share options to the Grantees is a recognition for their past contributions to the Group; and (iii) the share options are subject to the terms of the Share Option Scheme which provides for circumstances under which the share options or any part thereof shall lapse in the event that the Grantees cease to be a senior management and an employee of the Group or commit a breach of the rules of the Share Option Scheme, the Remuneration Committee and the Board consider that without additional clawback mechanism, the grant of the share options could align the interests of the Grantees with that of the Company and the Shareholders, reward and provide incentive to the Grantees to work towards successes of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the Share Option Scheme.

REPORT OF THE DIRECTORS

Saved as disclosed above, the Company did not make any grant of share options to the Directors and/or senior management as set forth in Rules 17.03F, 17.06B(7) and 17.06B(8) of the Listing Rules during the year ended 31 December 2024.

A summary of the principal terms of the Share Option Scheme is as follows:

(i) Purpose

The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants ("**Participants**") as incentives or rewards for their contribution or potential contribution to the Group and to provide the Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives: (i) motivate the Participants to optimize their performance efficiency for the benefit of the Group; (ii) attract and retain or otherwise maintain on-going business relationship with the Participants whose contributions are or will be beneficial to the long-term growth of the Group; and (iii) for such purposes as the Board may approve from time to time.

(ii) Participants

The Participants includes: (i) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group (the "**Executive**"), any full-time or part time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group (the "**Employee**"); (ii) a director or proposed director (including an independent non-executive director) of any member of the Group; (iii) a direct or indirect shareholder of any member of the Group; (iv) a supplier of goods or services to any member of the Group; (v) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (vi) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and (vii) an associate of any of the persons referred to in paragraphs (i) to (iii) above.

(iii) Maximum number of shares (the "Shares) of the Company

The maximum number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 662,734,947 Shares, representing 10% of the Shares in issue as of the date of listing, excluding Shares which may fall to be issued upon the exercise of the over-allotment option.

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 schemes of the Group shall not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other scheme of the Company if this will result in such limit being exceeded.

The total number of securities available for issue under the Share Option Scheme was 648,066,772, representing 7.74% of the issued Shares (excluding treasury shares) as of the date of this annual report.

(iv) Maximum entitlement of each eligible Participant

Unless with the approval of the Shareholders in general meeting, the maximum number of Shares issued and which may fall to be issued upon exercise of the share options granted under the Share Option Scheme and any other schemes of the Company (including both exercised and outstanding options) to each Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as of the date of grant.

(v) Option period

The period during which the share option may be exercised will be determined by the Board in its absolute discretion, save that no share option may be exercised more than 10 years after it has been granted. Save as determined by the Board and provided in the offer of the grant of the relevant share options, there is no minimum period for which a share option must be held before it can be exercised.

(vi) Vesting period

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an option impose the time or period before the right to exercise the option in respect of all or any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme.

(vii) Acceptance and payment on acceptance

An offer for the grant of Share options must be accepted within thirty days inclusive of the day on which such offer was made. A consideration of HK$1.00 is required to be paid by the grantee of the share option to the Company upon acceptance of the offer.

(viii) Option price for subscription of shares

The subscription price of a Share in respect of any particular share option granted under the Share Option Scheme shall be the price determined by the Board in its absolute discretion, but in any event shall not be less than the highest of:

(a) the closing price of the Share as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;

(b) the average closing price of the Share as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant; and

(c) the nominal value of the Share.

(ix) Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on 28 May 2019.

Further details of the Share Option Scheme are set forth in Note 22 to the consolidated financial statements in this annual report.

REPORT OF THE DIRECTORS

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management are set forth on pages 13 to 16 in this annual report.

DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATIONS

As of 31 December 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long positions in the Shares

Name of Director	Capacity	Name of the controlled corporations	Number of Shares held	Approximate percentage of the Company's issued share capital
Tan Sri Datuk TUNG Ching Sai *J.P.*	Interest in a controlled corporation(1)	Copark (as defined below)	30,553,206	0.364%
	Interest in a controlled corporation(1)	Sharp Elite (as defined below)	192,410,355	2.296%
	Family interest(1)		14,910,018	0.177%
	Interest in persons acting in concert(2)		1,313,739,545	15.683%

Notes:

(1) Tan Sri Datuk TUNG Ching Sai *J.P.* is the beneficial owner of the entire issued share capital of Copark Investment Limited ("**Copark**") and Sharp Elite Holdings Limited ("**Sharp Elite**"), both are incorporated in the British Virgin Islands ("**BVI**") with limited liability, which in turn are the registered owner of 30,553,206 and 192,410,355 Shares, respectively. Tan Sri Datuk TUNG Ching Sai *J.P.* is also deemed to be interested in 14,910,018 Shares through his spouse, Puan Sri Datin SZE Tan Hung.

(2) Pursuant to an agreement dated 22 November 2018 and entered into by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M*, Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung, the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to dispose of their Shares allotted to them under a conditional distribution in specie received at the time of listing of the Company.

REPORT OF THE DIRECTORS

(ii) Long positions in the shares of the associated corporation

Name of Director	Capacity	Name of the associated corporation	Number of shares held in the associated corporation	Approximate percentage in the issued share capital of the associated corporation
Tan Sri Datuk TUNG Ching Sai *J.P.*	Interest in a controlled corporation[1]	Xinyi Solar	227,932,436	2.510%
	Family interest[1]		24,552,520	0.270%
	Interest in persons acting in concert[2]		2,153,337,059	23.719%

Notes:

(1) Tan Sri Datuk TUNG Ching Sai *J.P.* is the beneficial owner of the entire issued share capital of Copark which is the registered owner of 227,932,436 shares of Xinyi Solar (the "**XYS Shares**"). Tan Sri Datuk TUNG Ching Sai *J.P.* also has 24,552,520 XYS Shares through his spouse, Puan Sri Datin SZE Tan Hung.

(2) Pursuant to an agreement dated 31 May 2013 and entered into by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M*, Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung, the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to sell their XYS Shares allotted to them under a conditional distribution in specie, by way of special interim dividend declared on 19 November 2013 of such number of shares to them representing approximately 67.6% of the XYS Shares as of that date.

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

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As of 31 December 2024, the following persons (other than a Director or chief executive of the Company) had, or were deemed to have interests or short positions in the Shares and 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, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Long positions in the Share

Name of substantial shareholders	Nature of interest and capacity	Number of Shares held	Approximate percentage of the Company's issued share capital
Xinyi Group (Glass) Company Limited	Beneficial owner	424,511,739	5.067%
Xinyi Automobile Glass (BVI) Company Limited	Interest in a controlled corporation	424,511,739	5.067%
Xinyi Glass	Beneficial owner	39,334,893	0.469%
	Interest in a controlled corporation	424,511,739	5.067%
Xinyi Power (BVI) Limited	Beneficial owner	4,324,103,847	51.620%
Xinyi Solar	Interest in a controlled corporation	4,324,103,847	51.620%
Charm Dazzle Limited	Benefical owner	483,504,733	5.772%
Dr. LEE Yin Yee, S.B.S.	Interest in a controlled corporation[1]	571,030,806	6.816%
	Interest in a controlled corporation[2]	8,030,321	0.095%
	Joint interest[1]	3,775,205	0.045%
	Family interest[1]	4,579,314	0.054%
	Interest in persons acting in concert[3]	964,197,478	11.510%
Datuk Wira TUNG Ching Bor *D.C.S.M*	Interest in a controlled corporation[4]	244,258,989	2.915%
	Joint interest[4]	12,280,470	0.146%
	Family interest[4]	4,308,102	0.051%
	Interest in persons acting in concert[3]	1,290,765,563	15.409%
Mr. LEE Sing Din	Interest in a controlled corporation[5]	149,259,800	1.781%
	Personal interest[5]	241,382	0.002%
	Joint interest[5]	7,305,630	0.087%
	Interest in persons acting in concert[3]	1,394,806,312	16.651%
Mr. LI Man Yin	Interest in a controlled corporation[6]	57,215,195	0.683%
	Personal interest[6]	394,278	0.004%
	Family interest[6]	162,325	0.001%
	Interest in persons acting in concert[3]	1,493,841,326	17.833%

REPORT OF THE DIRECTORS

Name of substantial shareholders	Nature of interest and capacity	Number of Shares held	Approximate percentage of the Company's issued share capital
Mr. LI Ching Wai	Interest in a controlled corporation(7)	61,628,071	0.735%
	Personal interest(7)	205,033	0.002%
	Interest in persons acting in concert(3)	1,489,780,020	17.784%
Mr. SZE Nang Sze	Interest in a controlled corporation(8)	78,675,264	0.939%
	Interest in persons acting in concert(3)	1,472,937,860	17.583%
Mr. NG Ngan Ho	Interest in a controlled corporation(9)	55,338,425	0.660%
	Personal interest(9)	283,973	0.003%
	Interest in persons acting in concert(3)	1,495,990,726	17.859%
Mr. LI Ching Leung	Interest in a controlled corporation(10)	53,944,770	0.643%
	Personal interest(10)	776,322	0.009%
	Family interest(10)	45,870	0.0005%
	Interest in persons acting in concert(3)	1,496,846,162	17.869%
Shanghai Ningquan Asset Management Co., Ltd.* (上海寧泉資產管理有限公司)	Investment manager	578,339,961	6.904%

* *For identification purpose only*

Notes:

(1) Dr. LEE Yin Yee, S.B.S. is the beneficial owner of the entire issued share capital of Realbest Investment Limited and Charm Dazzle Limited both are incorporated in the BVI with limited liability and wholly-owned by Dr. LEE Yin Yee, S.B.S. Dr. LEE Yin Yee, S.B.S. also has 3,775,205 Shares jointly held with and 4,579,314 Shares directly held by his spouse, Madam TUNG Hai Chi.

(2) The interest in the Shares is held through Full Guang Holdings Limited ("**Full Guang**"). Full Guang is owned by Dr. LEE Yin Yee, S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor *D.C.S.M* as to 16.21%, Tan Sri Datuk TUNG Ching Sai *J.P.* as to 16.21%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.

(3) Pursuant to an agreement dated 22 November 2018 and entered into by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M*, Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung, the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to dispose of their shares allotted to them under a conditional distribution in specie received at the time of listing of the Company.

(4) Datuk Wira TUNG Ching Bor *D.C.S.M*'s interests in the Shares are held through High Park Technology Limited and Xu Feng Limited, both are incorporated in the BVI with limited liability and wholly-owned by Datuk Wira TUNG Ching Bor *D.C.S.M*. Datuk Wira TUNG Ching Bor *D.C.S.M* also has 12,280,470 Shares jointly held with and 4,308,102 Shares directly held by his spouse, Datin Wira KUNG Sau Wai.

(5) Mr. LEE Sing Din's interests in the Shares are held through Telerich Investment Limited and Precious Smart Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LEE Sing Din. Mr. LEE Sing Din also has 241,382 Shares held in his own name and 7,305,630 Shares held through a joint account with his spouse, Madam LI Kam Ha.

REPORT OF THE DIRECTORS

(6) Mr. LI Man Yin's interests in the Shares are held through Perfect All Investments Limited and Will Sail Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LI Man Yin. Mr. LI Man Yin also has 394,278 Shares held in his own name and 162,325 Shares through his spouse, Madam LI Sau Suet.

(7) Mr. LI Ching Wai's interests in the Shares are held through Goldbo International Limited and Yuanyi Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Wai. Mr. LI Ching Wai also has 205,033 Shares held in his own name.

(8) Mr. SZE Nang Sze's interests in the Shares are held through Goldpine Limited and Day Dimension Investments Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. SZE Nang Sze.

(9) Mr. NG Ngan Ho's interests in the Shares are held through Linkall Investment Limited and Far High Investments Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. NG Ngan Ho. Mr. NG Ngan Ho also has 283,973 Shares held in his own name.

(10) Mr. LI Ching Leung's interests in the Shares are held through Herosmart Holdings Limited and Heng Zhuo Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Leung. Mr. LI Ching Leung also has 776,322 Shares held in his own name and 45,870 Shares held through his spouse, Madam DY Maria Lumin.

Save as disclosed above, as of 31 December 2024, the Directors were not aware of any other person having an interests or short positions in the Shares and the underlying Shares as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

As of 31 December 2024, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders (as defined in the Listing Rules) of the Company had any interest in a business, which competes or may compete with the business of the Group.

DEED OF NON-COMPETITION

The independent non-executive Directors have reviewed the compliance and the enforcement of the deed of non-competition dated 5 December 2018 entered into by the Covenantors (as defined therein) in favour of the Company and have not noticed any material non-compliance of such deed by the Convenantors.

PERMITTED INDEMNITY PROVISIONS

During the year ended 31 December 2024, appropriate insurance covering for the Directors' and senior management's liabilities arising out of activities of the Group has been arranged by the Company. As of the date of this annual report, such insurance covering remained effective.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate and neither the Directors or the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of revenue of sales for the year attributable to the Group's major customers are as follows:

—the largest customer	19.0%
—five largest customers in aggregate	62.7%

None of the Directors, their close associates or any shareholder of the Company which, to the best knowledge of the Directors, owned more than 5% of the number of issued Shares (excluding treasury shares), had any beneficial interest in any of the Group's five largest customers.

The percentage of the aggregate purchases attributable to the Group's five largest suppliers was less than 30% of the Group's total value of purchases.

BANK BORROWINGS

The total bank borrowings of the Group as of 31 December 2024 amounted to RMB7,330.5 million (2023: RMB5,715.5 million). Particulars of the bank borrowings are set forth in Note 25 to the consolidated financial statements in this annual report.

REWARD FOR EMPLOYEES

As of 31 December 2024, the Group had 414 full-time employees in total in Hong Kong and the PRC. Remuneration packages offered to the Group's employees are consistent with the prevailing market terms and reviewed on a regular basis. Discretionary bonuses may be rewarded to employees taking into consideration of the Group's performance and the performance of the individual employee. The Directors confirm that the Group maintains good working relationship with its employees and provides training when necessary to keep its employees informed of the latest information on developments of its products and production processes.

CONNECTED TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2024 are set forth in Note 29 to the consolidated financial statements in this annual report. Some of these transactions also constitute "Connected Transactions" and "Continuing Connected Transactions" under the Listing Rules, as identified below.

During the year ended 31 December 2024, the Group had the following connected transaction and continuing connected transaction, details of which are set forth below:

Connected transaction – 2024 acquisition with Xinyi Solar

The Company was entered a solar farm agreement with Xinyi Solar on 28 February 2024. Pursuant to the agreement, the Company will acquisition of all issued shares of four PRC companies, namely Kaiping City Ruide Renewable Energy Limited (開平市睿得新能源有限公司), Xinyun Solar (Qujing) Limited (信雲光能(曲靖)有限公司), Xinyun Renewable Energy (Yunfu) Limited (信雲新能源(雲浮)有限公司) and Wuhu Xintu Renewable Energy Limited (蕪湖信圖新能源有限公司) ("**2024 Proposed XYS Acquisition**") which hold the equity interest of the companies in the PRC operating the utility- scale ground-mounted solar farm projects at the Call Right Price (as defined in the announcement of the company dated 28 February 2024).

Xinyi Solar is the substantial shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the 2024 proposed XYS acquisition constitutes, a connected transaction of the Company under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

On 23 September 2024, the 2024 Proposed XYS Acquisition was partially completed (the "**2024 Acquisition**"). The 2024 Acquisition comprised five utility-scale ground-mounted solar farm projects, namely Qujing Banzhuang Solar Farm, Qujing Guanqiying Solar Farm, Qujing Nantoushan Solar Farm, Qujing Yangjiacun Solar Farm and Qujing Yingli Solar Farm with an aggregate approved capacity of 560 MW for electricity generation directly owned by Xinyun Solar (Qujing) Limited (信雲光能(曲靖)有限公司). Further details of which are set forth in the announcement of the Company dated 28 February 2024.

As of 31 December 2024, the Group completed the acquisition of (i) a utility-scale ground-mounted solar farm project in Guangdong Province with an aggregate approved capacity 200 MW for electricity generation directly owned by Xinchuang Renewable Energy (Lianjiang) Limited (信創新能源(廉江)有限公司) and (ii) a utility-scale ground-mounted solar farm project in Anhui Province with an aggregate approved capacity 100 MW for electricity generation directly owned by Wuhu Xinzhi Renewable Energy Limited (蕪湖信沚新能源有限公司).

Continuing connected transaction – Solar Farm O&M Agreement

As disclosed in the Company's announcement dated 31 December 2021, the Company entered into a memorandum ("**Renewal Memorandum**") dated 31 December 2021 with Xinyi Solar to confirm the renewal of the solar farm operation and management agreement ("**Solar Farm O&M Agreement**") for the three years ended on 31 December 2024. Xinyi Solar has agreed to engage the Company to operate and manage all connection-ready utility-scale ground-mounted solar farm projects developed or constructed by Xinyi Solar.

The annual cap and the actual transaction amount of the transaction contemplated under the Solar Farm O&M Agreement for the year ended 31 December 2024 are RMB15.0 million and RMB11.5 million, respectively.

Xinyi Solar is the substantial shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Solar Farm O&M Agreement, as renewed by the Renewal Memorandum, constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

All independent non-executive Directors of the Company have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

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

(b) either on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and

(c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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

The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions to the Board in accordance with Rule 14A.56 of the Listing Rules and confirming there is nothing has come to their attention that causes them to believe that the continuing connected transactions:

(a) have not been approved by the Board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(d) have exceeded the annual cap as set by the Company.

CONTINUING CONNECTED TRANSACTIONS AFTER THE REPORTING PERIOD

The Group had the following continuing connected transaction after the reporting period, details of which are set forth below:

Continuing connected transaction – Solar Farm O&M Agreement

As disclosed in the Company's announcement dated 31 December 2024, the Company entered into a memorandum ("**Second Renewal Memorandum**") dated 31 December 2024 with Xinyi Solar to confirm the renewal of the Solar Farm O&M Agreement for the three years ending on 31 December 2027. Pursuant to the Solar Farm O&M Agreement, the Group have agreed to provide solar farm operation and management services to the connection-ready solar farm projects developed or constructed by the Xinyi Solar Group. The annual cap of the transactions contemplated under the Second Renewal Memorandum for the three years ending 31 December 2027 is RMB15.0 million.

Xinyi Solar is the substantial shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Solar Farm O&M Agreement (as renewed by the Second Renewal Memorandum) constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Please refer to the section headed "Corporate Governance Report" set forth in pages 17 to 25 in this annual report for details of compliance with the Corporate Governance Code.

AUDIT COMMITTEE

The Company has established an audit committee, comprising all independent non-executive Directors, with written terms of reference in compliance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to provide comments and give advice to the Board.

The Audit Committee has reviewed the audited financial statements of the Company and audited consolidated financial statements of the Group for the year ended 31 December 2024.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company.

EVENT AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 31 December 2024 and up to the date of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this annual report, the Company has maintained sufficient public float between 15% and 25% as the market capitalisation of the Company at the time of listing exceeds HK$10 billion of the Shares held by the public as required under the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2024 has been audited by PricewaterhouseCoopers ("**PwC**").

PwC will retire as the auditor of the Company effective from the conclusion of the AGM and will not offer itself for re-appointment as the auditor of the Company.

The Board has resolved to appoint Ernst & Young as the auditor of the Company for the year ending 31 December 2025 until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the AGM.

REPORT OF THE DIRECTORS

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 30 May 2025. The register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 May 2025.

The register of members of the Company will be closed from Thursday, 5 June 2025 to Monday, 9 June 2025 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the Final Dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 4 June 2025.

On Behalf of the Board

LEE Shing Put, B.B.S.
Chairman

Hong Kong, 28 February 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Xinyi Energy Holdings Limited
(incorporated in the British Virgin Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Xinyi Energy Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 53 to 135, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated income statement 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.

INDEPENDENT AUDITOR'S REPORT

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:

- Provision of loss allowance of trade receivables
- Revenue recognition on tariff adjustment
- Impairment assessment of goodwill arising from acquisitions of solar farm projects by the Group

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision of loss allowance of trade receivables	
Refer to Notes 3.1(b), 4(a) and 19 to the consolidated financial statements. Trade receivables amounted to approximately RMB4,247,035,000 as at 31 December 2024, against which provisions for expected credit losses of RMB42,470,000 were made. The Group measures the loss allowance for its trade receivables at an amount equal to the lifetime expected credit losses. The Group grouped trade receivables based on shared credit risk characteristics, made provisions for loss allowance on trade receivables based on a collective assessment of the likelihood of recovery and applied expected credit loss rates to the respective gross carrying amounts of the receivables. The expected credit loss rates were determined based on the historical credit losses experience and were adjusted with current and forward-looking information on economic indicators, scenarios and the underlying probability weightings.	Our procedures in relation to provision of loss allowance of trade receivables included: We obtained an understanding of the management's internal control and assessment process of expected credit losses of trade 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 subjectivity, changes and etc. We evaluated the outcome of prior period assessment of expected credit losses of trade receivables to assess the effectiveness of management's estimation process. We evaluated and tested, on a sample basis, the key internal control over the management's assessment of the expected credit losses of trade receivables. For trade receivables assessed collectively by making reference to the credit risk characteristics, we understood management's grouping process and assessed the reasonableness by comparing, on a sample basis, available information such as the respective financial position and creditworthiness of the customers to management's records.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision of loss allowance of trade receivables (Continued)	
We focus on this area because the carrying values of trade receivables are significant to the consolidated financial statement and a high degree of judgement is applied in assessing the allowance for expected credit losses.	For forward looking information, we evaluated the appropriateness of economic indicators selected by management; evaluated the economic scenarios and the underlying probability weightings applied by management; and tested the resulting calculation of the economic indicators determined thereby. We evaluated the appropriateness of management's expected credit losses modelling methodologies in accordance with relevant financial reporting standards and reasonableness of significant assumptions adopted by management with the involvement of our in-house experts. We tested, on a sample basis, the accuracy and completeness of the data being used in the management's assessment and mathematical accuracy of management's calculation. We assessed the adequacy of the disclosures related to expected credit losses of trade receivables. Based on the procedures performed, we considered that management's judgements and assumptions used in the assessment of the provision of loss allowance of trade receivables were supportable by the available evidence.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition on tariff adjustment	
Refer to Notes 4(f) and 5 to the consolidated financial statements. For the year ended 31 December 2024, the Group recognised revenue of RMB2,440,447,000 of which revenue from tariff adjustment amounted to RMB964,792,000. The corresponding trade receivable from tariff adjustment was approximately RMB4,078,680,000 as at 31 December 2024. Revenue arising from tariff adjustment represents subsidy received and receivable from the sales of electricity pursuant to the prevailing government policies, and is recognised when each solar farm complied with all the requirements and conditions as required under the prevailing government policies and regulations for entitlement of the tariff adjustment. The tariff adjustment is measured based on the difference between the feed-in-tariff regime and the revenue from sales of electricity. Management exercised judgement in determining the basis, e.g. the timing of connection and maximum subsidised capacity of the solar farms which are entitled to tariff adjustment, when measuring revenue recognised from tariff adjustment in accordance with the relevant rules and regulations, including those being published during the year ended 31 December 2024 and up to the date of this report. Management performed self-assessments according to the latest rules and regulations and evaluated the relevant result. We focus on this area due to significant management judgements involved in determination of the basis, e.g. the timing of connection and maximum subsidised capacity, of revenue recognition on tariff adjustment according to the requirements and conditions as required under the prevailing government policies and regulations.	Our procedures in relation to revenue recognition on tariff adjustment included: We obtained an understanding of the management's internal control and assessment process in connection with revenue recognition on tariff adjustment and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated and tested, on a sample basis, the key internal control over the management's assessment in connection with revenue recognition on tariff adjustment. We discussed with the management and with reference to the relevant rules and regulations, including those being published during the year ended 31 December 2024 and up to the date of this report, and we understood the latest requirements, conditions and the prevailing policies and regulations set by the government authorities on tariff adjustment on sales of electricity, and assessed the reasonableness of the judgement used in estimation of the tariff adjustment by comparing the consistency of the basis for determination of the timing of connection, and maximum subsidised capacity of the solar farms with the policies and regulations, and obtaining legal opinion from the Group's legal advisor regarding the latest development of relevant rules and regulations. We tested, on a sample basis, the underlying data used in the calculation of the amount of tariff adjustment by examining of relevant supporting evidence, including approval of feed-in-tariff issued by the Bureau of Commodity Prices and documents of settlement issued by the state-owned grid enterprises periodically. We checked the mathematical accuracy of the calculation of the amount of tariff adjustment of solar farms. Based on the above, we considered that management's judgement applied in revenue recognition on tariff adjustment was supportable by the evidence obtained and procedures performed.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill arising from acquisitions of solar farm projects by the Group	
Refer to Notes 4(c) and 18 to the consolidated financial statements. As at 31 December 2024, the net carrying value of the goodwill arising from acquisitions of solar farm projects by the Group amounted to RMB273,950,000. Goodwill is subject to impairment assessment at least annually or when there is an indication of impairment. For the purposes of assessing impairment, assets of the Group's solar farm projects are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Management has engaged independent external valuer to assist in performing impairment assessment for the Group's solar farm projects. For the purpose of impairment assessments, management determined the recoverable amount of solar farm projects acquired by the Group using fair value less cost of disposal ("**FVLCOD**") calculation. The key assumptions used in the FVLCOD calculation include among others, cash flow forecast period, annual utilisation hours, degradation factor, feed-in-tariff and discount rate. We focus on this area because changing the key assumptions would have a direct impact on the impairment, and the key assumptions require a high degree of judgment and estimates.	Our procedures in relation to goodwill impairment assessment of solar farm projects acquired by the Group included: We obtained an understanding of the management's assessment process of impairment assessment of goodwill arising from acquisitions of solar farm projects by the Group and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors. We evaluated the outcome of prior period assessment of the impairment of solar farm projects acquired by the Group to assess the effectiveness of the management's estimation process. We evaluated the competence, capabilities and objectivity of the independent external valuer. We engaged our internal valuation experts to evaluate the reasonableness of the methodology and discount rate as adopted by management, and to perform sensitivity analysis on the key assumptions adopted in the impairment assessment so as to assess the potential implication on the results of the impairment assessment if these key assumptions are to be changed within a reasonable range. We assessed the reasonableness of the key assumptions, including cash flow forecast period, annual utilisation hours, degradation factor, feed-in-tariff and discount rate based on inspecting the sales agreements, our knowledge of the business and the observable market data of the industry. We checked the mathematical accuracy of the discounted cash flow projections. We assessed the adequacy of the disclosures related to impairment assessment of goodwill arising from acquisitions of solar farm projects by the Group. Based on the above, we considered that management's impairment assessment of goodwill arising from acquisitions of solar farm projects by the Group were supportable by the evidence obtained and procedures performed.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in Xinyi Energy Holdings Limited 2024 Annual Report (the "**annual report**") other than the consolidated financial statements and our auditor's report thereon, which we have obtained prior to the date of the auditor's report, and the Environmental, Social and Governance Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole 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 scepticism throughout the audit. We also:

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We communicate with the directors 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 directors 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 directors, 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 Li Wang Kei.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 February 2025

CONSOLIDATED INCOME STATEMENT

For The Year Ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000 (Restated) (Note 2.2)
Revenue	5	**2,440,447**	2,280,821
Cost of sales	7	**(840,717)**	(732,440)
Gross profit		**1,599,730**	1,548,381
Other income	5	**22,910**	11,763
Other losses, net	6	**(37,673)**	(4,842)
Administrative expenses	7	**(48,532)**	(51,044)
Net impairment losses on financial assets	3.1(b)	**(6,449)**	(6,918)
Operating profit		**1,529,986**	1,497,340
Finance income	8	**2,602**	6,123
Finance costs	8	**(364,775)**	(328,388)
Share of net losses of investments accounted for using the equity method	15	**(91)**	–
Profit before income tax		**1,167,722**	1,175,075
Income tax expense	11	**(376,220)**	(275,229)
Profit for the year		**791,502**	899,846
Profit for the year attributable to:			
– Equity holders of the Company		**790,851**	898,292
– Non-controlling interests		**651**	1,554
		791,502	899,846
Earnings per share attributable to the equity holders of the Company (Expressed in RMB cents per share)			
– Basic and diluted	12	**9.55**	11.36

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
		(Note 2.2)
Profit for the year	**791,502**	899,846
Other comprehensive loss for the year, net of tax:		
Items that may be reclassified to profit or loss		
Currency translation differences	**(318,850)**	(196,053)
Share of other comprehensive income of investments accounted for under the equity method		
– Share of currency translation differences	**47**	–
Item that will not be reclassified to profit or loss		
Currency translation differences	**202,919**	104,718
Total comprehensive income for the year	**675,618**	808,511
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**674,967**	806,957
– Non-controlling interests	**651**	1,554
	675,618	808,511

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

CONSOLIDATED BALANCE SHEET

As At 31 December 2024

	Note	**31 December 2024 RMB'000**	31 December 2023 RMB'000 (Restated) (Note 2.2)	1 January 2023 RMB'000 (Restated) (Note 2.2)
ASSETS				
Non-current assets				
Property, plant and equipment	16	**15,394,948**	13,679,677	12,146,597
Right-of-use assets	17	**970,148**	675,305	615,349
Prepayments for land use rights and property, plant and equipment	19	**27,735**	12,339	49,437
Deferred income tax assets	26	**59,973**	53,411	45,885
Investments accounted for using the equity method	15	**628**	–	–
Goodwill	18	**273,950**	311,941	333,701
Total non-current assets		**16,727,382**	14,732,673	13,190,969
Current assets				
Trade and other receivables and prepayments	19	**4,580,310**	3,930,898	3,049,432
Amounts due from fellow subsidiaries	29	**1,336**	909	1,240
Amount due from an investment accounted for using the equity method	29	**2,235**	–	–
Restricted cash	20	**3,000**	10,837	–
Cash and cash equivalents	20	**354,238**	587,926	1,602,558
Total current assets		**4,941,119**	4,530,570	4,653,230
Total assets		**21,668,501**	19,263,243	17,844,199
EQUITY				
Capital and reserves attributable to the equity holders of the Company				
Share capital	21	**72,497**	71,412	64,004
Other reserves	23	**6,251,552**	6,518,702	5,687,426
Retained earnings		**6,180,436**	5,529,694	4,766,262
		12,504,485	12,119,808	10,517,692
Non-controlling interests		**–**	9,811	8,257
Total equity		**12,504,485**	12,129,619	10,525,949
LIABILITIES				
Non-current liabilities				
Bank borrowings	25	**4,789,224**	2,400,805	1,844,667
Lease liabilities	17	**919,475**	655,279	592,539
Other payables	24	**15,378**	14,313	51,034
Deferred income tax liabilities	26	**262,194**	259,109	267,277
Total non-current liabilities		**5,986,271**	3,329,506	2,755,517

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As At 31 December 2024

	Note	**31 December 2024** *RMB'000*	31 December 2023 *RMB'000* (Restated) (Note 2.2)	1 January 2023 *RMB'000* (Restated) (Note 2.2)
Current liabilities				
Bank borrowings	25	**2,541,250**	3,314,725	2,588,471
Lease liabilities	17	**56,962**	43,535	30,465
Accruals and other payables	24	**450,504**	368,760	607,663
Amount due to immediate holding company		**–**	–	1,242,339
Amounts due to fellow subsidiaries	29	**85,912**	31,887	46,623
Current income tax liabilities		**43,117**	45,211	47,172
Total current liabilities		**3,177,745**	3,804,118	4,562,733
Total liabilities		**9,164,016**	7,133,624	7,318,250
Total equity and liabilities		**21,668,501**	19,263,243	17,844,199

The consolidated financial statements on pages 53 to 135 were approved by the Board of Directors on 28 February 2025 and were signed on its behalf.

LEE Shing Put, B.B.S.
Chairman and Executive Director

TUNG Fong Ngai
Chief Executive Officer and Executive Director

The above consolidated balance sheet 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 holders of the Company					
	Share capital *(Note 21)* *RMB'000*	Other reserves *(Note 23)* *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2024 *(Restated)*	71,412	6,518,702	5,529,694	12,119,808	9,811	12,129,619
Comprehensive income						
Profit for the year	–	–	790,851	790,851	651	791,502
Other comprehensive loss						
Currency translation differences	–	(115,931)	–	(115,931)	–	(115,931)
Share of other comprehensive income of investments accounted for using the equity method	–	47	–	47	–	47
Total comprehensive (loss)/income for the year	–	(115,884)	790,851	674,967	651	675,618
Transactions with the owners of the Company						
Employees' share option scheme:						
– value of employee services *(Note 9)*	–	(440)	–	(440)	–	(440)
– release upon the lapse of share options	–	(609)	609	–	–	–
Issuance of shares in respect of scrip dividend of 2023 final dividend	59	6,129	–	6,188	–	6,188
Issuance of shares in respect of scrip dividend of 2024 interim dividend	1,026	77,991	–	79,017	–	79,017
Dividend:						
– 2023 final dividend *(Note 13)*	–	(198,721)	–	(198,721)	–	(198,721)
– 2024 interim dividend *(Note 13)*	–	(177,750)	–	(177,750)	–	(177,750)
Dividend paid to non-controlling interests	–	–	–	–	(3,046)	(3,046)
Appropriation to safety reserve	–	16,671	(16,671)	–	–	–
Appropriation to statutory reserve	–	124,047	(124,047)	–	–	–
Change in ownership interest in subsidiaries without change of control	–	1,416	–	1,416	(7,416)	(6,000)
Balance at 31 December 2024	72,497	6,251,552	6,180,436	12,504,485	–	12,504,485

The above consolidated statement of changes in equity 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 holders of the Company					
	Share capital *(Note 21)* *RMB'000* *(Restated)* *(Note 2.2)*	Other reserves *(Note 23)* *RMB'000* *(Restated)* *(Note 2.2)*	Retained earnings *RMB'000* *(Restated)* *(Note 2.2)*	Total *RMB'000* *(Restated)* *(Note 2.2)*	Non-controlling interests *RMB'000* *(Restated)* *(Note 2.2)*	Total equity *RMB'000* *(Restated)* *(Note 2.2)*
Balance at 1 January 2023	64,004	5,687,426	4,766,262	10,517,692	8,257	10,525,949
Comprehensive income						
Profit for the year	–	–	898,292	898,292	1,554	899,846
Other comprehensive loss						
Currency translation differences	–	(91,335)	–	(91,335)	–	(91,335)
Total comprehensive (loss)/income for the year	–	(91,335)	898,292	806,957	1,554	808,511
Transactions with the owners of the Company						
Employees' share option scheme:						
– exercise of employees' share options	–	10	–	10	–	10
– value of employee services *(Note 9)*	–	2,197	–	2,197	–	2,197
– release upon the lapse of share options	–	(15)	15	–	–	–
Issuance of shares in respect of scrip dividend of 2022 final dividend	226	47,912	–	48,138	–	48,138
Issuance of shares in respect of scrip dividend of 2023 interim dividend	442	74,330	–	74,772	–	74,772
Issuance of shares in respect of rights issue, net of transaction cost	6,740	1,467,731	–	1,474,471	–	1,474,471
Dividend:						
– 2022 final dividend	–	(548,597)	–	(548,597)	–	(548,597)
– 2023 interim dividend *(Note 13)*	–	(255,832)	–	(255,832)	–	(255,832)
Appropriation to safety reserve	–	18,576	(18,576)	–	–	–
Appropriation to statutory reserve	–	116,299	(116,299)	–	–	–
Balance at 31 December 2023	71,412	6,518,702	5,529,694	12,119,808	9,811	12,129,619

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

	Note	2024 RMB'000	2023 RMB'000 (Restated) (Note 2.2)
Cash flows from operating activities			
Cash generated from operations	27 (a)	1,649,891	1,219,869
Interest paid		(311,857)	(252,083)
Income tax paid		(381,790)	(292,254)
Net cash generated from operating activities		956,244	675,532
Cash flows from investing activities			
Payments for acquisition of right-of-use assets		(32,690)	(13,926)
Payments for purchases of and prepayments for property, plant and equipment		(2,268,634)	(2,355,609)
Proceeds from disposal of property, plant and equipment		762	36
Capital injection into an investment accounted for using the equity method	15	(672)	–
Advance to an investment accounted for using the equity method		(2,192)	–
Net proceeds from financial assets at fair value through profit or loss		4,888	13,486
Interest received		2,559	6,123
Net cash used in investing activities		(2,295,979)	(2,349,890)
Cash flows from financing activities			
Proceeds from issuance of shares in respect of rights issue		–	1,475,955
Payments for professional fees in connection with issuance of shares in respect of rights issue		–	(1,484)
Proceeds from exercise of employees' share options		–	10
Settlement of deferred consideration payable for acquisition		–	(1,276,292)
Payment for acquisition of interest in subsidiaries without change of control, net of cash acquired		(6,000)	–
Proceeds from bank borrowings		7,532,289	5,346,813
Repayments of bank borrowings		(6,054,081)	(4,163,019)
Principal elements of lease payments		(73,005)	(41,930)
Dividend paid to the Company's shareholders		(291,266)	(681,519)
Dividend paid to the non-controlling interests		(3,046)	–
Net cash generated from financing activities		1,104,891	658,534
Net decrease in cash and cash equivalents		(234,844)	(1,015,824)
Cash and cash equivalents at beginning of the year		587,926	1,602,558
Effect of foreign exchange rate changes		1,156	1,192
Cash and cash equivalents at end of the year	20	354,238	587,926

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Xinyi Energy Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") are principally engaged in the operations and management of solar farms in the People's Republic of China (the "**PRC**") (the "**Solar Farm Business**").

The Company is a limited liability company incorporated in the British Virgin Islands (the "**BVI**"). The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The ultimate holding company of the Company is Xinyi Solar Holdings Limited ("**Xinyi Solar**"), a company whose shares are listed on the Main Board of the Stock Exchange.

These consolidated financial statements are presented in Chinese Renminbi ("**RMB**"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28 February 2025.

2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss ("**FVPL**") or other comprehensive income ("**FVOCI**").

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Amendments to standards and revised interpretation adopted by the Group

The Group has applied the following amendments to standards and revised interpretation for its annual reporting period commencing 1 January 2024:

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

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

2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY (Continued)

2.1 Basis of preparation (Continued)

(b) New accounting standards, amendments to standards and interpretation not yet adopted

Certain new accounting standards, amendments to standards and interpretation have been published that are not mandatory for the accounting period beginning on 1 January 2024 and have not been early adopted.

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

These new accounting standards, amendments to standards and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICY (Continued)

2.2 Change in presentation currency

The consolidated financial statements were presented in Hong Kong Dollars ("**HK$**") in prior years. Starting from the financial year ended 31 December 2024, the Group has changed its presentation currency for the preparation of its consolidated financial statements from HK$ to RMB. The change in the presentation currency is intended to reflect the fact that most of the business transactions engaged by the Group are settled in RMB and that a significant part of the business presence and the assets of the Group are located in the Mainland China. This enables the shareholders and potential investors of the Company to have a more accurate understanding of the Group's financial performance.

For the purpose of presenting the Group's consolidated financial statements in RMB, the assets and liabilities for the consolidated balance sheet are translated into RMB at the relevant closing rates of exchange at the end of the reporting period. Items in the consolidated statement of comprehensive income and the consolidated statement of cash flows are translated at the average exchange rates for the financial period. The share capital and reserves are translated at historical rates prevailing at the dates of transactions.

The change in the presentation currency have been applied retrospectively with comparative figures restated. The Group presents an additional consolidated balance sheet as at 1 January 2023 due to the change of presentation currency in accordance with HKAS 1 "Presentation of Financial Statements".

2.3 Change in accounting policy

As a result of the adoption of the amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting the amendments to HKAS 1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to various types of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC and is exposed to foreign exchange risk primarily arising from HK$, US dollar ("**US$**") and Malaysian Ringgit ("**MYR**"), some of which are not the functional currencies of respective operating subsidiaries within the Group. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations, mainly as a result of translation of cash and cash equivalents and borrowings. Details of the Group's cash and cash equivalents and borrowings are disclosed in Note 20 and Note 25.

The Group manages its foreign exchange risks by performing regular reviews. For subsidiaries with functional currency in HK$, they are not subject to significant foreign exchange risk for transactions conducted in US$ given the pegged exchange rate between HK$ and US$.

For Hong Kong subsidiaries with functional currency in HK$, they are subject to foreign exchange risk mainly as a result of translation of cash and cash equivalents and borrowings denominated in RMB. The net foreign exchange gains/losses would be recognised in profit or loss. As at 31 December 2024, if RMB had strengthened/weakened by 5% against HK$, with all other variables held constant, profit after income tax for the year of the Hong Kong subsidiaries would have been approximately RMB 109,813,000 (2023: RMB4,194,000) lower/higher mainly as a result of net foreign exchange losses/gains recognised.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk is mainly attributable to its restricted cash, cash and cash equivalents and bank borrowings. Financial assets and liabilities at variable rates expose the Group to cash flow interest rate risk. Financial assets and liabilities at fixed rates expose the Group to fair value interest rate risk. Details of the Group's restricted cash, cash and cash equivalents and bank borrowings have been disclosed in Note 20 and Note 25.

As at 31 December 2024, if interest rates on restricted cash, cash and cash equivalents and bank borrowings had been 25 basis points higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB 11,582,000 (2023: RMB12,331,000) lower/higher, mainly as a result of higher/lower net interest expense being incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group's credit risk arises from trade receivables, deposits and other receivables, amounts due from fellow subsidiaries and an investment accounted for using the equity method, restricted cash and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an on-going basis. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets which are stated as follows:

	Note	**2024** **RMB'000**	2023 RMB'000 (Restated)
Trade receivables	19	**4,204,565**	3,566,089
Deposits and other receivables excluding prepayments and other tax receivables	19	**43,177**	52,814
Amounts due from fellow subsidiaries	29	**1,336**	909
Amount due from an investment accounted for using the equity method	29	**2,235**	–
Restricted cash	20	**3,000**	10,837
Cash and cash equivalents	20	**354,238**	587,926
Maximum exposure to credit risk		**4,608,551**	4,218,575

(i) Risk management

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the assets at the reporting date with risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that expected to cause a significant change to the customer's ability to meeting its obligations;
- actual or expected significant changes in the operating results of the debtor/customer;
- significant changes in the expected performance and behavior of the customer, including changes in the payment status of customer and changes in the operating results of the customer; and
- actual or expected significant adverse changes in the policies and incentives of the PRC Government for solar power industry.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets

The Group has following types of financial assets that are subject to the expected credit loss model:

- trade receivables;
- deposits and other receivables excluding prepayments and other tax receivables;
- amounts due from fellow subsidiaries;
- amount due from an investment accounted for using the equity method;
- restricted cash; and
- cash and cash equivalents.

Restricted cash and cash and cash equivalents

As at 31 December 2024 and 2023, most of the bank deposits were deposited with state-owned banks in the PRC and reputable banks in Hong Kong. The credit quality of restricted cash and cash and cash equivalents has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of restricted cash and cash and cash equivalents is assessed to be immaterial and no provision was made as at 31 December 2024 (2023: Nil).

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

The expected loss rates are based on any historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product and the Industrial Value Added to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables arising from sales of electricity and tariff adjustment were all due from customers which are state-owned grid enterprises.

As at 31 December 2024, the directors have reassessed the historical default rates and the macroeconomic factors and on that basis, the loss allowance of RMB 42,470,000 (2023: RMB 36,021,000) were recognised with an expected credit loss rate of 1% (2023: 1%) for trade receivables.

	Gross carrying amount *RMB'000*	Loss allowance provision *RMB'000*	Expected loss rate
Trade receivables	**4,247,035**	**42,470**	**1%**

As at 31 December 2024 and 2023, the loss allowance provision for trade receivables reconciles to the opening loss allowance for that provision as follows:

	2024 *RMB'000*	2023 *RMB'000* *(Restated)*
Loss allowance at 1 January *(Restated)*	**36,021**	29,103
Provision of loss allowance recognised in the consolidated income statement - net	**6,449**	6,918
Loss allowance at 31 December	**42,470**	36,021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments. The Group made no write-off of trade receivables during the year (2023: Nil).

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group's sales are made to several major customers and there is some concentration of credit risks. Sales to the top five customers constituted approximately 63% (2023: 57%) of the Group's total revenue of the year ended 31 December 2024. They accounted for approximately 71% (2023: 66%) of the gross trade receivable balances as at 31 December 2024.

Other financial assets at amortised costs

Other financial assets at amortised costs include the amounts due from fellow subsidiaries and an investment accounted for using the equity method, and other receivables excluding prepayments and other tax receivables.

The credit quality of other financial assets at amortised costs has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. Given the track record of repayment in full, the directors are of the opinion that the risk of default by these counterparties is not significant and does not expect any losses from non-performance by the counterparties. Therefore, expected credit loss rate of the amounts due from fellow subsidiaries and an investment accounted for using the equity method, and other receivables excluding prepayments and other tax receivables is assessed to be immaterial and no provision was made as at 31 December 2024 (2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Group maintains liquidity by a number of means including orderly realisation of short term financial assets, receivables and certain assets that the Group considers appropriate. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of the Group's available cash and other credit lines available. The Group monitors rolling forecasts of its working capital which comprises cash and cash equivalents and borrowing facilities on the basis of expected cash flow.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interests payments computed using contractual rates, or if floating, based on the current rates at the year end date). Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment. The maturity analysis for other borrowings is prepared based on the scheduled repayment dates. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

	On demand or less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
At 31 December 2024					
Bank borrowings and interest	2,774,310	974,943	1,917,288	2,569,397	8,235,938
Accruals and other payables excluding accruals of staff costs and other taxes payable	435,366	15,378	–	–	450,744
Lease liabilities	64,106	64,021	244,234	1,239,002	1,611,363
Amounts due to fellow subsidiaries	85,912	–	–	–	85,912
Total	3,359,694	1,054,342	2,161,522	3,808,399	10,383,957

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	On demand or less than 1 year *RMB'000* *(Restated)*	Between 1 and 2 years *RMB'000* *(Restated)*	Between 2 and 5 years *RMB'000* *(Restated)*	Over 5 years *RMB'000* *(Restated)*	Total *RMB'000* *(Restated)*
At 31 December 2023					
Bank borrowings and interest	3,540,129	1,250,137	927,425	521,263	6,238,954
Accruals and other payables excluding accruals of staff costs and other taxes payable	354,141	14,313	–	–	368,454
Lease liabilities	51,188	47,584	155,911	1,020,485	1,275,168
Amounts due to fellow subsidiaries	31,887	–	–	–	31,887
Total	3,977,345	1,312,034	1,083,336	1,541,748	7,914,463

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of equity and borrowings. In order to maintain or adjust the capital structure, the Group will consider the macro-economic conditions, prevailing borrowing rate in the market and adequacy of cash flows generating from operations and may raise funding through capital market or bank borrowings whenever necessary.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including "current and non-current bank borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

As at 31 December 2024 and 2023, the gearing ratio was as follows:

	Note	2024 RMB'000	2023 RMB'000 (Restated)
Bank borrowings	25	**7,330,474**	5,715,530
Less: cash and cash equivalents	20	**(354,238)**	(587,926)
Net debt		**6,976,236**	5,127,604
Total equity		**12,504,485**	12,129,619
Gearing ratio		**55.8%**	42.3%

3.3 Fair value estimation

Financial assets and liabilities

(a) Fair value hierarchy

The carrying values of financial instruments measured at fair value at the balance sheet date are categorised among the three levels of the fair value hierarchy defined in HKFRS 13, "Fair value Measurement", with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

As at 31 December 2024 and 2023, there are no financial assets of the Group that are measured at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial assets and liabilities (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December 2024 and 2023:

	Bills receivables at FVOCI *RMB'000* *(Restated)*	Wealth management products *RMB'000* *(Restated)*	Total *RMB'000* *(Restated)*
At 1 January 2023	4,500	–	4,500
Acquisitions	–	5,802,900	5,802,900
Disposals/settlement	(4,500)	(5,816,386)	(5,820,886)
Amounts recognised in profit or loss			
– Fair value change	–	13,486	13,486
At 31 December 2023	–	–	–

	Bills receivables at FVOCI ***RMB'000***	**Wealth management products** ***RMB'000***	**Total** ***RMB'000***
At 1 January 2024 *(Restated)*	**–**	**–**	**–**
Acquisitions	**–**	**3,941,000**	**3,941,000**
Disposals/settlement	**–**	**(3,945,888)**	**(3,945,888)**
Amounts recognised in profit or loss			
– Fair value change	**–**	**4,888**	**4,888**
At 31 December 2024	**–**	**–**	**–**

There were no transfers among level 1, 2 and 3 during the year ended 31 December 2024 (2023: Nil).

Apart from the forementioned financial assets at FVOCI and at FVPL, the Group's financial instruments recognised in the consolidated balance sheets are mainly restricted cash, cash and cash equivalents, trade and other receivables, borrowings and other financial liabilities carried at amortised cost. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivables and payables is either close to current market rates or the instruments are short-term in nature.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial assets and liabilities (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3) (Continued)

During the years ended 31 December 2024 and 2023, the financial assets at FVPL invested by the Group included wealth management products sponsored and managed by banks. The Group reports its investing cash flows arising from wealth management products on a gross basis, except for cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short.

(c) Valuation techniques, inputs and relationships to fair value

The Group manages the valuation of level 3 instruments for financial reporting purpose on a case by case basis. The Group assesses the fair value of the Group's level 3 instruments by using valuation techniques. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments or recent prices of similar financial assets in less active markets, adjusted to reflect those differences.
- for other financial instruments - discounted cash flow analysis.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 discussed below.

(a) Impairment of trade and other receivables

The Group makes provision for impairment of trade and other receivables based on assumptions about risk of default and expected loss rate. The Group uses judgement 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 end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(b).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of these assets of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to changes in market conditions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(c) Impairment of non-financial assets

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

(d) Current and deferred income tax

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the provision for income taxes and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Current and deferred income tax (Continued)

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the year in which such estimate is changed.

Deferred income tax liabilities have not been established for the withholding taxation that would be payable on the undistributed profits of certain subsidiaries which were under certain jurisdictions as the directors consider that the timing of the reversal of related temporary differences can be controlled and that is probable that the temporary will not reverse in the foreseeable future (Note 26).

(e) Discount rate in determination of right-of-use assets and lease liabilities

The Group initially measured and recognised and recognised right-of-use assets and lease liabilities arising from a lease on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

(f) Revenue recognition on tariff adjustment

Revenue arising from tariff adjustment represents subsidy received and receivable from the sales of electricity pursuant to the prevailing government policies and is recognised when the Group comply with all the requirements and conditions as required under the prevailing government policies and regulations for entitlement of the tariff adjustment. The tariff adjustment is measured based on the difference between the feed-in-tariff regime and the revenue from sales of electricity. Management exercised judgement when interpreting the relevant prevailing policies and regulations in relation to the determination of tariff adjustment.

5 REVENUE, OTHER INCOME AND SEGMENT INFORMATION

Accounting policy of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for electricity generated and supplied, stated net of value added taxes.

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

Revenue is recognised as follows:

(a) Sales of electricity

Revenue arising from the sales of electricity is recognised at a point in time in the accounting period when electricity is generated and transmitted.

The revenue from sales of electricity is based on the on-grid benchmark tariff rates of local coal-fired power plants, which vary across provinces and can be adjusted by the government of the PRC (the "**PRC Government**"). It is currently settled by state-owned grid enterprises for the electricity generated by the solar power electricity generating equipment and plants ("**Solar Farms**") on a monthly basis.

(b) Tariff adjustment

Tariff adjustment represents subsidy received and receivable from the sales of electricity to the customer pursuant to the government policy on subsidies of solar energy in respect of the Group's Solar Farm Business. Tariff adjustment is recognised at a point in time at its fair value to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised from tariff adjustment will not occur if the Group will comply with all the prevailing policies and regulations.

The revenue from tariff adjustment is based on the difference between the feed-in-tariff regime implemented by the PRC Government for the provision of subsidy to the solar farm operators in the PRC and the revenue from sales of electricity.

When there is an agreement to modify a contract regarding adjustments to the feed-in-tariff, in connection with the contract modification, the Group might provide a partial deduction of the tariff adjustment related to the sales of electricity. The Group should account for the deduction separately, because it is an adjustment to the transaction price of the previously transferred goods. Thus, it should recognise the amount of the deduction immediately as a reduction of revenue and exclude it from the application of the modification guidance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Accounting policy of revenue recognition (Continued)

(c) Solar farm operation and management services

Solar farm operation and management services include operation and management of solar farm projects, training, technical and expert support services to the connection-ready solar farm projects held by other parties.

Solar farm operation and management services are recognised over time when the services are provided over time.

Accounting policy of government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statements over the period necessary to match them with the costs that they are intended to compensate.

Accounting policy of segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company that make strategic decisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Revenue and other income recognised during the year are as follows:

	2024 ***RMB'000***	2023 *RMB'000* *(Restated)*
Revenue		
Recognised at a point in time:		
– Sales of electricity	**1,464,170**	1,286,447
– Tariff adjustment	**964,792**	985,144
	2,428,962	2,271,591
Recognised over time:		
– Solar farm operation and management services	**11,485**	9,230
	2,440,447	2,280,821

	2024 ***RMB'000***	2023 *RMB'000* *(Restated)*
Other income		
Government grants *(Note)*	**12,170**	3,354
Compensation of insurance claims	**809**	1,937
Others	**9,931**	6,472
	22,910	11,763

Note:

Government grants mainly represent grants received from the PRC Government in subsidising the Group's general operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 REVENUE, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Segment information

The Group is mainly engaged in the operation and management of solar farms in the PRC. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available.

No segment of assets and liabilities are presented as no discrete financial information is available.

Majority of the non-current assets of the Group are located in the PRC and with country of domicile being the PRC.

Revenue from major customers which are state-owned grid enterprises for the year is set out below:

	2024 *RMB'000*	2023 *RMB'000* *(Restated)*
Customer A	**466,448**	501,616
Customer B	**360,021**	233,557
Customer C	**364,463**	N/A

Note:

The revenue from Customer C for the year ended 31 December 2023 did not exceed 10% of the total revenue of the Group for the year ended 31 December 2023.

6 OTHER LOSSES, NET

	2024 *RMB'000*	2023 *RMB'000* *(Restated)*
Foreign exchange (losses)/gains, net	**(3,578)**	3,488
Loss on disposal of property, plant and equipment	**(992)**	(56)
Net fair value gains on financial assets at FVPL	**4,888**	13,486
Impairment loss of goodwill *(Note 18)*	**(37,991)**	(21,760)
	(37,673)	(4,842)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed as follows:

	2024 **RMB'000**	2023 RMB'000 (Restated)
Depreciation charge of property, plant and equipment *(Note 16)*	**654,136**	574,096
Depreciation charge of right-of-use assets *(Note 17)*	**39,442**	30,344
Employee benefit expenses (including directors' emoluments) *(Note 9)*	**65,747**	60,095
Electricity	**29,282**	24,647
Auditor's remuneration – Audit services	**1,294**	1,349
Legal and professional fees	**4,074**	4,544
Insurance expenses	**5,090**	6,628
Repair and maintenance	**38,167**	29,653
Other expenses	**52,017**	52,128
	889,249	783,484

8 FINANCE INCOME AND COSTS

	2024 **RMB'000**	2023 RMB'000 (Restated)
Finance income		
Interest income from bank deposits	**2,602**	6,123
Finance costs		
Interest on lease liabilities *(note 17)*	**45,318**	41,367
Interest expense on bank borrowings	**319,457**	268,724
Interest expense on deferred payment of business combination purchases consideration	**–**	18,297
	364,775	328,388

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2024 RMB'000	2023 RMB'000 (Restated)
Wages and salaries	**59,765**	53,399
Retirement benefits scheme contribution *(Note)*	**6,422**	4,499
Share options granted to employees	**(440)**	2,197
	65,747	60,095

Note:

The Group participates in a Mandatory Provident Fund scheme (the "**MPF scheme**") in accordance with the Mandatory Provident Fund Scheme Ordinance of Hong Kong. Under the rules of the MPF scheme, the employer and its employees in Hong Kong are each required to contribute 5% of the gross earnings of the employees up to a ceiling of HK$1,500 per month to the MPF scheme. The only obligation of the Group with respect to the MPF scheme is to make the required contributions under the MPF scheme. No forfeited contribution is available to reduce the contribution payable in future years.

The Group's subsidiaries in the PRC also participate in defined contribution retirement schemes covering its PRC employees. The schemes are administered by the relevant government authorities in the PRC. The Group and the PRC eligible employees are required to make contributions based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC and the relevant government authorities undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group's subsidiaries in the PRC. No forfeited contribution is available to reduce the contribution payable in future years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Benefits and interests of directors

(a) Directors' emoluments

The remuneration of every director is set out below:

For the year ended 31 December 2024:

Name of directors *(Note (i))*	**Fees** *RMB'000*	**Salary** *RMB'000*	**Discretionary bonuses** *(Note (ii))* *RMB'000*	**Employer's contribution to a retirement benefit scheme** *RMB'000*	**Total** *RMB'000*
Mr. LEE Shing Put, B.B.S.	–	–	1,833	–	1,833
Tan Sri Datuk TUNG Ching Sai, *P.S.M, D.M.S.M, J.P.*	–	–	–	–	–
Mr. LEE Yau Ching	–	–	–	–	–
Mr. TUNG Fong Ngai	230	1,582	4,215	17	6,044
Mr. LEUNG Ting Yuk	258	–	–	–	258
The Hon. IP Kwok Him, G.B.M., G.B.S., J.P.	230	–	–	–	230
Ms. LYU Fang	230	–	–	–	230
	948	1,582	6,048	17	8,595

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

For the year ended 31 December 2023:

Name of directors *(Note (i))*	Fees *RMB'000 (Restated)*	Salary *RMB'000 (Restated)*	Discretionary bonuses *(Note (ii))* *RMB'000 (Restated)*	Allowances and benefits in kind *(Note (iii))* *RMB'000 (Restated)*	Employer's contribution to a retirement benefit scheme *RMB'000 (Restated)*	Total *RMB'000 (Restated)*
Mr. LEE Shing Put, B.B.S.	–	–	906	–	–	906
Tan Sri Datuk TUNG Ching Sai, *P.S.M, D.M.S.M, J.P.*	–	–	–	–	–	–
Mr. LEE Yau Ching	–	–	–	–	–	–
Mr. TUNG Fong Ngai	226	1,785	906	–	16	2,933
Ms. CHENG Shu E *(Note (iv))*	113	246	251	276	–	886
Mr. LEUNG Ting Yuk	254	–	–	–	–	254
The Hon. IP Kwok Him, G.B.M., G.B.S., J.P.	226	–	–	–	–	226
Ms. LYU Fang	226	–	–	–	–	226
	1,045	2,031	2,063	276	16	5,431

Notes:

(i) The remuneration shown above represents remuneration received/receivable from the Group by these directors in their capacity as employees to the Group and/or in their capacity as directors of the companies now comprising the Group.

(ii) The discretionary bonuses are determined with reference to the operating results of the Group, individual performance and comparable market statistics during the respective years.

(iii) The allowances and benefits in kind include housing allowances and estimated money value of share options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Benefits and interests of directors (Continued)

(a) Directors' emoluments (Continued)

Notes: (Continued)

(iv) On 2 June 2023, Ms. CHENG Shu E retired as a director. Except this, no director of the Company was appointed/resigned during the years ended 31 December 2024 and 2023.

(v) Mr. LEE Shing Put, B.B.S., Tan Sri Datuk TUNG Ching Sai, J.P., Mr. LEE Yau Ching waived emoluments of RMB230,000 (2023: RMB226,000), RMB230,000 (2023: RMB226,000) and RMB230,000 (2023: RMB226,000) respectively for the year.

Except for these, no directors waived or agreed to waive any emoluments for the years ended 31 December 2024 and 2023.

(vi) For the year ended 31 December 2024, no incentive payment for joining the Group or compensation for loss of office was paid or payable to any directors (2023: Nil).

(vii) Mr. TUNG Fong Ngai is also the Chief Executive Officer of the Group and his remuneration disclosed above include those for services rendered by him as the Chief Executive Officer.

(viii) Aggregate emoluments paid to or receivable by the directors in respect of their services as directors, whether of the Company or its subsidiary undertaking is RMB948,000 (2023: RMB1,045,000).

(ix) Aggregate emoluments paid to or receivable by the directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking is RMB7,647,000 (2023: RMB4,386,000).

(b) Directors' termination benefits

For the year ended 31 December 2024, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the director; nor are any payable (2023: Nil).

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

There was no consideration provided to or receivable by third parties for making available directors' services of a person as a director of the Company for the year ended 31 December 2024 (2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 BENEFITS AND INTERESTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Benefits and interests of directors (Continued)

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

For the year ended 31 December 2024, there were no significant transactions, agreements and contracts in relation to the Group's business to which the Company was a party and in which the directors of the Company had material interest, whether directly or indirectly, other than those disclosed in Note 29 (2023: Nil).

(e) Directors' loans, quasi-loans and other dealings

For 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, other than those disclosed in Note 29 (b) (2023: Nil).

(b) Five highest paid individuals

Two (2023: three) of the five highest paid individuals were the directors of the Company for the year ended 31 December 2024.

Details of the remuneration of the remaining three (2023: two) non-director highest paid individuals for the year ended 31 December 2024 are analysed as follows:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Salaries, allowances and benefits in kind	**1,959**	1,827
Retirement benefit scheme contributions	**41**	52
Share options granted	**90**	436
	2,090	2,315

The emoluments of the remaining three (2023: two) non-director highest paid individuals for the year ended 31 December 2024 fell within the following bands:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Current income tax		
PRC corporate income tax ("**CIT**") *(Note (c))*	**303,846**	290,293
PRC withholding tax *(Note (d))*	**75,850**	–
Deferred income tax *(Note 26)*	**(3,476)**	(15,064)
	376,220	275,229

Notes:

(a) The Company was incorporated in the BVI and is exempted from payment of the BVI income tax.

(b) No provision for Hong Kong profits tax has been made for the year as the Group did not generate any assessable profits arising in Hong Kong during the year.

(c) The applicable CIT rate for the Group's subsidiaries in the PRC is 25% (2023: 25%) except that:

- A subsidiary engaging in operation and management of solar farms in Anhui Province is qualified as a "High and New Technology Enterprise"and would be entitled to enjoy a preferential CIT rate of 15% (2023: 15%);

- A subsidiary engaging in development of operation and management systems in Guangxi Zhuang Autonomous Region is qualified as an "Encouraged Enterprise" in the Catalogue of Industries Encouraged for Foreign Investment in Central and Western Region and would be entitled to enjoy a preferential CIT rate of 9% (2023: 9%); and

- Subsidiaries engaging in the solar farms business enjoyed tax holiday and their profits are fully exempted from the CIT for three years starting from its first year of revenue generation, followed by 50% reduction in CIT in next three years. However, their government grants and compensation of insurance claims received are subject to the CIT rate of 25% (2023: 25%).

(d) Withholding tax on remitted earnings

Withholding tax is levied on dividends declared to foreign investors by the foreign investment enterprises established in the PRC, in respect of earnings generated after 31 December 2007. For the year ended 31 December 2024, dividends remitted from the PRC subsidiaries were subject to 5% withholding tax.

11 INCOME TAX EXPENSE (Continued)

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

	2024 ***RMB'000***	2023 *RMB'000* *(Restated)*
Profit before income tax	**1,167,722**	1,175,075
Calculated at tax rate of 25%	**291,931**	293,769
Preferential tax rates on income of certain PRC subsidiaries	**(100,926)**	(94,550)
Effect of different tax rates in other country and district	**2,218**	2,129
Expenses not deductible for tax purposes	**93,130**	72,898
PRC withholding tax incurred by HK Companies	**89,867**	983
	376,220	275,229

12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year and adjusted for bonus elements in ordinary shares issued as a result of the rights issue completed in June 2023.

	2024	2023 *(Restated)*
Profit attributable to equity holders of the Company (RMB'000)	**790,851**	898,292
Weighted average number of ordinary shares in issue (thousands)	**8,283,062**	7,906,257
Basic earnings per share (RMB cents)	**9.55**	11.36

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the years ended 31 December 2024 and 2023, diluted earnings per share equal basic earnings per share as these were no potential dilutive share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 DIVIDENDS

	2024 **RMB'000**	2023 RMB'000 (Restated)
Interim dividend of 2.3 HK cents (2023: 3.4 HK cents) per share *(Note (a))*	**177,750**	255,832
Proposed final dividend of 2.7HK cents (2023: final dividend of 2.6 HK cents) per share *(Note (b))*	**212,758**	198,721

Notes:

(a) An interim dividend for the six months ended 30 June 2024 of 2.3 HK cents per share (2023: 3.4 HK cents per share) was partially paid in cash and partially settled by the issuance of 113,719,155 shares (2023: 47,487,194 shares) in respect of scrip dividend to shareholders for whose names appeared on the register of members of the Company on 19 August 2024 (2023: 17 August 2023).

(b) A final dividend in respect of the year ended 31 December 2024 of 2.7HK cents per share (2023: 2.6 HK cents per share), amounting to a total dividend of HK$226,170,000, equivalent to RMB212,758,000 (2023: HK$214,671,000, equivalent to RMB198,721,000), is to be proposed at the forthcoming annual general meeting. The amount of 2024 proposed final dividend is based on 8,376,653,757 shares in issue as at 31 December 2024. These consolidated financial statements do not reflect this proposed dividend payable for the year ended 31 December 2024. The amount of 2023 final dividend represented an aggregated dividend partially paid in cash and partially settled by the issuance of 6,345,950 shares based on 8,256,588,652 shares in issue as at the record date for the dividend entitlement.

14 SUBSIDIARIES

Details of the principal subsidiaries at 31 December 2024 are as follows:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Directly held by the Company					
Xinyi Energy (BVI) Limited (**"Xinyi Energy (BVI)"**)	The BVI, limited liability company	Investment holding	200 ordinary shares of US$1 each	100%	–
Indirectly held by the Company					
Wise Regal Investments Limited	Hong Kong, limited liability company	Investment holding	10,000 ordinary shares of HK$1 each	100%	–
Hong'an Xinyi Renewable Energy Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD35,000,000	100%	–
Xinyi Solar (Wuhu) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD35,000,000	100%	–
Xinyi Renewable Energy (Bozhou) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD35,000,000	100%	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 SUBSIDIARIES (Continued)

Details of the principal subsidiaries at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Indirectly held by the Company (Continued)					
Xinyi Solar (Tianjin) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD48,000,000	100%	–
Xinyi Solar (Shouxian) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB215,000,000	100%	–
Wuhu Xinyi Renewable Energy Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB300,000,000	100%	–
Lu'an Xinyi Renewable Energy Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB300,000,000	100%	–
Xinyi Solar (Xiaochang) Limited ("**Xiaochang**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD32,700,000	100%	–
Xinyi Solar (Suiping) Limited ("**Suiping**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB210,000,000	100%	–
Xinyi Renewable Energy (Shouxian) Limited ("**Shouxian**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD35,000,000	100%	–
Xinyi Solar (Huainan) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD12,000,000	100%	–
Xinyi Solar (Wuwei) Limited ("**Wuwei**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD9,000,000	100%	–
Wuwei Rihao Renewable Energy Limited ("**Wuwei Rihao**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB10,000,000	100%	–
Guangdong Shenke New Energy Co., Ltd. ("**Guangdong Shenke**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB30,000,000	100%	–
Xinyi Renewable Energy (Xiangyang) Co., Ltd ("**Xiangyang**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB12,000,000	100%	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 SUBSIDIARIES (Continued)

Details of the principal subsidiaries at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Indirectly held by the Company (Continued)					
Wuwei Xinchuang Renewable Energy Limited ("**Wuwei Xinchuang**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB8,000,000	100%	–
Anlu Jingshun Renewable Energy Limited (**"Anlu Jingshun"**)	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid capital of USD16,000,000	100%	–
Hubei Jingping Renewable Energy Limited ("**Hubei Jingping**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid capital of USD16,000,000	100%	–
Huainan Xinyi Renewable Energy Limited ("**Huainan Xinyi**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD13,000,000	100%	–
Xinyi Renewable Energy (Huaibei) Limited ("**Huaibei Xinyi**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of USD25,000,000 and paid up capital of USD5,861,911.74	100%	–
Zaoqiang County Huisheng Renewable Energy Limited ("**Zaoqiang Huisheng**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB35,000,000	100%	–
Qingyang County Hewu Renewable Energy Technology Limited ("**Qingyang Hewu**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB1,000,000	100%	–
Heshan City Hongde Renewable Energy Limited ("**Heshan Hongde**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB85,000,000	100%	–
Xinyi Solar (Xiangyang) Limited ("**Solar (Xiangyang)**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB8,000,000	100%	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 SUBSIDIARIES (Continued)

Details of the principal subsidiaries at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Indirectly held by the Company (Continued)					
Wuhu Xiangtai Solar Power Development Limited ("**Wuhu Xiangtai**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB45,000,000	100%	–
Baoji Yilin Renewable Energy Limited ("**Baoji Yilin**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of USD2,100,000 and nil paid up	100%	–
Xinan Renewable Energy (Anlu) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB75,000,000	100%	–
Xinmu Renewable Energy (Anlu) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB81,000,000	100%	–
Xinze Renewable Energy (Xiangyang) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB88,000,000	100%	–
Xinyi Renewable Energy (Xiaochang) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB8,000,000 and nil paid up	100%	–
Xinyi Solar (Haikou) Limited ("**Solar (Haikou)**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB 456,484,000 and paid up capital of RMB37,765,480	100%	–
Xinze Renewable Energy (Kaiping) Limited ("**Xinze Kaiping**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB50,000,000 and nil paid up	100%	–
Xinyi Renewable Energy (Hexian) Limited ("**Xinyi Hexian**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB73,000,000 and paid up capital of RMB21,555,300	100%	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 SUBSIDIARIES (Continued)

Details of the principal subsidiaries at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Indirectly held by the Company (Continued)					
Wuhu Xinfu Renewable Energy Limited ("**Wuhu Xinfu**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB106,738,500 and paid up capital of RMB14,000,000	100%	–
Xinchuang Renewable Energy (Lianjiang) Limited ("**Xinchuang (Lianjiang)**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB1,000,000 and nil paid up	100%	–
Xinyun Solar (Qujing) Limited ("**Xinyun Qujing**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB260,000,000	100%	–
Wuhu Xinzhi Renewable Energy Limited ("**Wuhu Xinzhi**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB212,946,000 and paid up capital of RMB42,707,229.11	100%	–

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2024 *RMB'000*
At 1 January	–
Capital injection	672
Share of net loss	(91)
Currency translation differences	47
At 31 December	628

The equity interests in the investments listed below are held by the Group at 31 December 2024.

Name of entity	Place of business/ incorporation	Principal activities	% of ownership interest	Measurement method
Parkland Renewable Energy Sdn. Bhd. ("**Parkland Energy**")	Malaysia	Investment holding	40%	Equity accounting
Parkland RPVI Sdn. Bhd. ("**Parkland RPVI**")	Malaysia	Management and operation of solar projects	40%	Equity accounting
Ortus Synergy Sdn. Bhd. ("**Ortus**")	Malaysia	Provision of engineering, procurement, construction and commissioning services for solar photovoltaics systems	22%	Equity accounting

Parkland Energy, Parkland RPVI and Ortus are private companies and there is no quoted market price available for their shares.

As at 31 December 2024, there are no contingent liabilities relating to the Group's interest in Parkland Energy, Parkland RPVI and Ortus.

On 26 April 2024, Parkland Energy was incorporated as a joint venture of the Group, with registered capital of MYR 1,100,000. Parkland RPVI is a wholly owned subsidiary of Parkland Energy. Ortus is non-wholly owned subsidiary which is 55% owned by Parkland Energy.

16 PROPERTY, PLANT AND EQUIPMENT

Accounting policy of depreciation

Depreciation of completed Solar Farms commences when the Solar Farms are successfully connected to grids and have completed trial operation. Depreciation of completed property, plant and equipment other than construction in progress commences when the assets are ready for use.

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

– Solar Farms	25 years
– Buildings	30 years
– Motor vehicles, furniture and fixtures, equipment and others	5-15 years

	Solar Farms *RMB'000* *(Restated)*	Buildings *RMB'000* *(Restated)*	Motor vehicles, furniture and fixtures, equipment and others *RMB'000* *(Restated)*	Total *RMB'000* *(Restated)*
At 1 January 2023				
Cost	14,319,007	174,843	23,788	14,517,638
Accumulated depreciation	(2,327,043)	(37,210)	(6,788)	(2,371,041)
Net book amount	11,991,964	137,633	17,000	12,146,597
Year ended 31 December 2023				
Opening net book amount	11,991,964	137,633	17,000	12,146,597
Additions *(Note)*	2,095,571	4,261	6,500	2,106,332
Disposal	–	–	(92)	(92)
Depreciation charge	(565,272)	(6,156)	(2,668)	(574,096)
Currency translation differences	936	–	–	936
Closing net book amount	13,523,199	135,738	20,740	13,679,677
At 31 December 2023				
Cost	16,472,006	179,089	30,329	16,681,424
Accumulated depreciation	(2,948,807)	(43,351)	(9,589)	(3,001,747)
Net book amount	13,523,199	135,738	20,740	13,679,677

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Solar Farms *RMB'000*	Buildings *RMB'000*	Motor vehicles, furniture and fixtures, equipment and others *RMB'000*	Total *RMB'000*
Year ended 31 December 2024				
Opening net book amount *(Restated)*	13,523,199	135,738	20,740	13,679,677
Additions *(Note)*	2,352,430	15,013	10,552	2,377,995
Disposal	(1,497)	–	(257)	(1,754)
Depreciation charge	(650,424)	(6,153)	(3,403)	(659,980)
Currency translation differences	(990)	–	–	(990)
Closing net book amount	15,222,718	144,598	27,632	15,394,948
At 31 December 2024				
Cost	18,902,748	196,196	42,109	19,141,053
Accumulated depreciation	(3,680,030)	(51,598)	(14,477)	(3,746,105)
Net book amount	15,222,718	144,598	27,632	15,394,948

Note:

In June, September and December 2024, the Group completed the acquisition of a solar farm project in Guangdong with aggregate approved capacity of 200 megawatts ("**MW**"), 5 solar farm projects in Yunnan with aggregate approved capacity of 560 MW, and a solar farm project in Anhui with aggregate approved capacity of 100 MW in the PRC respectively by way of transferring all issued shares of Xinchuang (Lianjiang), Xinyun Qujing and Wuhu Xinzhi from Sun Wisdom Development Limited ("**Sun Wisdom**"), a subsidiary of Xinyi Solar.

In February 2023, the Group completed the acquisition of a solar farm project of Hainan with aggregate approved capacity of 300 MW in the PRC by way of transferring all issued shares of Solar (Haikou) from Bright Top Investment Limited ("**Bright Top**"), a subsidiary of Xinyi Solar. In September and December 2023, the Group completed the acquisition of three solar farm projects in Hexian, Jiangmen and Shenxiang with aggregated approved capacity of 102 MW, 150 MW and 84.5 MW in the PRC respectively by way of transferring all issued shares of Xinze Kaiping, Xinyi Hexian and Wuhu Xinfu from Sun Wisdom, a subsidiary of Xinyi Solar.

16 PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group accounted for these transactions as acquisition of assets.

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Depreciation charged in consolidated income statement:		
– Cost of sales	**653,304**	573,325
– Administrative expenses	**832**	771
	654,136	574,096

17 LEASES

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

(a) Amounts recognised in the consolidated balance sheet

	Leasehold land	Office	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Restated)	*(Restated)*	*(Restated)*
Right-of-use assets			
Year ended 31 December 2023			
Opening net book amount	615,148	201	615,349
Additions	87,840	2,457	90,297
Depreciation charge *(Note 7)*	(29,523)	(821)	(30,344)
Currency translation differences	–	3	3
Closing net book amount	673,465	1,840	675,305

	Leasehold land	**Office**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Right-of-use assets			
Year ended 31 December 2024			
Opening net book amount *(Restated)*	**673,465**	**1,840**	**675,305**
Additions	**333,959**	**323**	**334,282**
Depreciation charge *(Note 7)*	**(38,567)**	**(875)**	**(39,442)**
Currency translation differences	**–**	**3**	**3**
Closing net book amount	**968,857**	**1,291**	**970,148**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 LEASES (Continued)

(a) Amounts recognised in the consolidated balance sheet (Continued)

	2024 RMB'000	2023 RMB'000 (Restated)
Lease liabilities		
Non-current	**919,475**	655,279
Current	**56,962**	43,535
	976,437	698,814

(b) Amounts recognised in the consolidated income statement

	2024 RMB'000	2023 RMB'000 (Restated)
Depreciation charge of right-of-use assets		
Leasehold land	**38,567**	29,523
Office	**875**	821
	39,442	30,344
Interest expense (included in finance cost)		
Leasehold land	**45,218**	41,282
Office	**100**	85
	45,318	41,367

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

The Group leases offices and land. Rental contracts are typically made for fixed periods of 2 to 30 years but may have extension options. Lease terms are negotiated on an individual basis but contain similar terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Pursuant to the lease agreements signed with landlords, landlords have agreed to reimburse the Group in respect of any PRC taxes, levies or surtaxes, which may be imposed on the Group for the use of the land under the current PRC tax laws and regulations, in case the Group may be liable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 GOODWILL

Accounting policy of goodwill

Goodwill is measured as described in Note 33.2. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. An impairment loss is recognised for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its FVLCOD and VIU.

	2024 ***RMB'000***	2023 *RMB'000* *(Restated)*
At 1 January *(Restated)*	**311,941**	333,701
Impairment loss	**(37,991)**	(21,760)
At 31 December	**273,950**	311,941

For the purpose of impairment assessment, goodwill arising from:

a) Acquisition relating to five utility-scale ground-mounted solar farm projects in 2019 (the "**2019 Acquisition**") is allocated to four cash-generating units under Xiaochang, Suiping, Shouxian and Wuwei, respectively;

b) Acquisition relating to three solar farm projects from Xinyi Power (BVI) Limited ("**Xinyi Power (BVI)**") in 2020 are allocated to three cash-generating units under Guangdong Shenke, Wuwei Xinchuang and Xiangyang, respectively;

c) Acquisition relating to two solar farm projects from independent third parties in 2020 are allocated to two cash-generating units under Wuwei Rihao and Anlu Jingshun, respectively;

d) Acquisition relating to six solar farm projects from Xinyi Power (BVI) in 2021 are allocated to six cash-generating units under Huaibei Xinyi, Zaoqiang Huisheng, Huainan Xinyi, Qingyang Hewu, Heshan Hongde, Solar (Xiangyang), respectively;

e) Acquisition relating to two solar farm projects from independent third parties in 2021 are allocated to two cash-generating units under Hubei Jingping and Wuhu Xiangtai respectively; and

f) Acquisition relating to a solar farm project from an independent third party in 2022 is allocated to a cash-generating unit under Baoji Yilin.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18 GOODWILL (Continued)

The recoverable amounts of each cash-generating unit are determined based on higher of VIU or FVLCOD calculations covering a period of the useful lives of the solar farm projects. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

During the year ended 31 December 2024, the management determined the recoverable amount of solar farm projects acquired by the Group using FVLCOD calculation. The key assumptions and estimates used in determining the FVLCOD are as follows:

	31 December 2024	31 December 2023	Approach to determine key assumption
Cash flow forecast period	**19-22 years**	20-23 years	Estimate with reference to the remaining years of land use right
Annual utilisation hours per MWp	**1,200 MWh/MWp to 1,367 MWh/MWp**	1,200 MWh/MWp to 1,367 MWh/MWp	Estimate with reference to industry report and weather information
Feed-in-tariff	**RMB0.01/kWh to RMB0.61/kWh**	RMB0.01/kWh to RMB0.61/kWh	Estimate by prevailing government policies and regulations on feed-in-tariff
Degradation factor	**0.5%-0.6% per annum**	0.5%-0.6% per annum	Estimate with reference to industry report and weather information
Post-tax discount rate	**6.3%-8.7%**	6.5%-8.9%	Estimate by benchmarking the cost of equity and cost of debt of market participants

Management has engaged an independent external valuer to assist in performing impairment assessments for group's solar farm projects. Based on the impairment assessments performed, the recoverable amounts of four (2023: three) cash-generating units were below the carrying amounts. As a result, the Group made impairment provision for the goodwill amounting to RMB37,991,000 (2023: RMB21,760,000). The impairment loss is primarily resulted from the delay in settlement of tariff adjustment receivables.

The recoverable amounts of the remaining cash-generating units would equal carrying amounts if the key assumptions at 31 December 2024 were to change as follows:

Annual utilisation hours per MWp decrease by	25 MWh/MWp to 298 MWh/MWp
Discount rate increases by	0.28% to 3.39%

19 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

Accounting policy of trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other 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. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Accounting policy of impairment of trade and other receivables

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3 details how the Group determines 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.

Impairment on deposits and other receivables (excluding prepayments) are measured at either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

	2024 *RMB'000*	2023 *RMB'000* *(Restated)*
Trade receivables *(Note (a))*	**4,247,035**	3,602,110
Less: Loss allowance for trade receivables *(Note (b))*	**(42,470)**	(36,021)
Trade receivables, net	**4,204,565**	3,566,089
Deposits and other receivables *(Note (c))*	**43,177**	52,814
Other tax receivables *(Note (d))*	**304,456**	297,157
Prepayments for land use rights and property, plant and equipment	**27,735**	12,339
Other prepayments	**28,112**	14,838
	4,608,045	3,943,237
Less: Non-current portion		
Prepayments for land use rights and property, plant and equipment	**(27,735)**	(12,339)
Current portion	**4,580,310**	3,930,898

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Notes:

(a) Trade receivables

As at 31 December 2024, trade receivables comprised receivables from sales of electricity and tariff adjustment receivables. The category analysis of trade receivables is set out below:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Receivables from sales of electricity	**168,355**	180,978
Tariff adjustment receivables	**4,078,680**	3,421,132
	4,247,035	3,602,110

Receivables from sales of electricity were usually settled on a monthly basis by the state-owned grid enterprises. Tariff adjustment receivables represent government subsidies on renewable energy to be received from the state-owned grid enterprises in accordance with prevailing government policies and prevalent payment pattern of the Ministry of Finance.

During the year ended 31 December 2024, the Group received aggregate payment of RMB484,006,000 (2023: RMB485,077,000) for the subsidies in relation to the solar power generation by the solar farm projects enlisted on the Renewable Energy Power Generation Project List. The Ministry of Finance does not set out a rigid timetable for the settlement of tariff adjustment receivables. However, given the collection of tariff adjustment receivables is well supported by the government policy, the collection of tariff adjustment receivables is expected in the normal operating cycle, and they are classified as current assets.

The ageing analysis of trade receivables based on the Group's revenue recognition policy is as follows:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
0 to 90 days	**378,705**	350,665
91 days to 180 days	**325,528**	338,510
181 days to 365 days	**549,483**	560,332
Over 365 days	**2,993,319**	2,352,603
	4,247,035	3,602,110

The carrying amounts of the Group's trade receivables are denominated in RMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Notes: (Continued)

(b) Loss allowance for trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivable.

Loss allowance for trade receivables of RMB42,470,000 was made by the Group during the current reporting period (2023: RMB36,021,000).

Information about the impairment of trade receivables and the Group's exposure to credit risk is set out in Note 3.1(b).

(c) Deposits and other receivables

Deposits and other receivables are all expected to be recoverable and therefore no provision was made. The ageing of deposits and other receivables was within one year. The carrying amounts of the Group's deposits and other receivables are mainly denominated in RMB.

(d) Other tax receivables

Other tax receivables mainly represent value added tax ("**VAT**") recoverable, which is creditable input VAT on purchase of property, plant and equipment (including construction in progress). They will be offset against output VAT on sales of solar electricity and tariff adjustment. The balance is denominated in RMB.

(e) The carrying amounts of trade and other receivables approximate their fair values.

(f) The other classes within trade and other receivables do not contain impaired assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 CASH AND BANK BALANCES

	2024 *RMB'000*	2023 *RMB'000* *(Restated)*
Cash at bank	**354,238**	587,926
Restricted cash *(Note (a))*	**3,000**	10,837
Cash and bank balances *(Note (b))*	**357,238**	598,763
Less: Restricted cash	**(3,000)**	(10,837)
Cash and cash equivalants	**354,238**	587,926
Maximum exposure of credit risk	**357,238**	598,763

Notes:

(a) As at 31 December 2004 and 2023, restricted cash at bank represents cash at bank with limited use purposes.

(b) As at 31 December 2024, funds of the Group amounting to RMB334,172,000 (2023: RMB534,624,000) and RMB2,022,000 (2023: Nil) were deposited in bank accounts opened with banks in the PRC and Malaysia respectively, where the remittance of funds is subject to foreign exchange control. The remaining funds of RMB21,044,000 (2023: RMB64,139,000) as at 31 December 2024 were deposited in reputable banks in Hong Kong.

The carrying amounts of the Group's cash and bank balances are denominated in the following currencies:

	2024 *RMB'000*	2023 *RMB'000* *(Restated)*
RMB	**337,761**	514,415
HK$	**14,715**	59,860
US$	**4,229**	24,488
MYR	**533**	–
	357,238	598,763

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 SHARE CAPITAL

	2024		2023	
	Number of ordinary shares	Ordinary shares of HK$0.01 each	Number of ordinary shares	Ordinary shares of HK$0.01 each
	'000	*HK$'000*	*'000*	*HK$'000*
Authorised:				
At 1 January and 31 December	**800,000,000**	**8,000,000**	800,000,000	8,000,000

	2024		2023	
	Number of ordinary shares	Ordinary shares of HK$0.01 each	Number of ordinary shares	Ordinary shares of HK$0.01 each
	'000	*RMB'000*	*'000*	*RMB'000*
				(Restated)
Issued and fully paid:				
At beginning of year *(Restated)*	**8,256,589**	**71,412**	7,440,401	64,004
Issuance of shares in respect of 2023 rights issue *(Note (a))*	**–**	**–**	744,040	6,740
Issuance of shares in respect of scrip dividend of 2022 final dividend	**–**	**–**	24,656	226
Issuance of shares in respect of scrip dividend of 2023 interim dividend	**–**	**–**	47,487	442
Issuance of shares in respect of scrip dividend of 2023 final dividend *(note (b))*	**6,346**	**59**	–	–
Issuance of shares in respect of scrip dividend of 2024 interim dividend *(note (c))*	**113,719**	**1,026**	–	–
Issuance of shares under employees' share option scheme	**–**	**–**	5	–
At end of year	**8,376,654**	**72,497**	8,256,589	71,412

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21 SHARE CAPITAL (Continued)

Notes:

(a) On 14 April 2023, the Company invited its shareholders to subscribe to a rights issue of 744,040,025 rights shares at issue price of HK$2.19 per rights share on the basis of 1 rights share for every 10 existing shares held on 2 May 2023, with such shares to be issued on, and rank for dividends which are declared, made or paid on or after the date of issue and allotment of the rights shares. The rights issue was fully subscribed. Proceeds of approximately HK$1,629,448,000, equivalent to RMB1,475,955,000 were received and the related transaction costs of approximately HK$1,638,000, equivalent to RMB1,483,000 were netted off with the proceeds. These rights shares rank pari passu in all respect with the then existing shares in issue. The excess over the par value of the shares were credited to the share premium account. The market price of the shares on the date of issue was HK$2.14.

(b) On 2 June 2024, the shareholders approved in annual general meeting a final dividend of 2.6 HK cents per share for the year ended 31 December 2023. The shareholders were provided with an option to receive the final dividend in form of scrip dividend. On 7 August 2024, 6,345,950 shares were issued at an issue price of HK$1.05 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

(c) On 31 July 2024, the board of directors declared an interim dividend of 2.3 HK cents per share for the six months ended 30 June 2024. The shareholders were provided with an option to receive the interim dividend in form of scrip dividend. On 16 October 2024, 113,719,155 shares were issued at an issue price of HK$0.77 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

22 SHARE OPTIONS

The Company adopted a share option scheme (the "**Share Option Scheme**") in November 2018. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant options to any employee of the Group to subscribe for shares of the Company at the highest of (i) the closing price of shares of the Company as stated in the daily quotation sheet of the Stock Exchange on the day of the offer of grant; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the day of the offer of the grant; and (iii) the nominal value of shares. A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not, in aggregate, exceed 10% of the shares in issue upon completion of the placing and the capitalisation issue of the shares of the Company, unless the Company obtains further approval from the shareholders.

The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not, in aggregate, exceed 30% of the relevant shares or securities of the Company in issue from time to time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 SHARE OPTIONS (Continued)

Movements in the number of share options granted by the Company to the employees of the Group and their related weighted average exercise prices are as follows:

	2024		2023	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
As at 1 January	**HK$3.20**	**10,623,073**	HK$3.76	6,855,000
Adjustment for rights issue	**–**	**–**	HK$3.76	5,175
Granted	**HK$1.12**	**3,500,000**	HK$2.26	4,000,000
Forfeited	**HK$2.98**	**(1,624,607)**	HK$3.74	(190,067)
Exercised	**–**	**–**	HK$2.18	(5,002)
Lapsed	**HK$2.18**	**(1,696,790)**	HK$2.18	(42,033)
As at 31 December	**HK$2.72**	**10,801,676**	HK$3.20	10,623,073
Vested and exercisable at 31 December	**HK$3.23**	**7,558,342**	HK$3.36	7,095,562

During the year ended 31 December 2024, no option (2023: 5,002 options) was exercised and a total of 1,696,790 options were lapsed due to expiration of the share options (2023: Nil).

Share options outstanding at the end of the year after adjustments of the exercise prices and the number of share options as a result of the rights issue completed in June 2023 have the following expiry date and exercise prices:

Grant date	**Expiry date**	**Adjusted Exercise price**	**Number of options 31 December 2024**	**Remaining contractual life of options outstanding at end of period**
31 March 2021	31 March 2025	HK$3.78	1,930,468	0.25 years
31 March 2022	31 March 2026	HK$4.76	2,247,208	1.25 years
1 June 2023	31 March 2027	HK$2.26	3,518,000	2.25 years
28 March 2024	31 March 2028	HK$1.12	3,106,000	3.25 years
		Total	10,801,676	
Weighted average remaining contractual life of options outstanding at end of the year				1.97 years

22 SHARE OPTIONS (Continued)

Information in relation to the share options granted to the employees of the Group is as follows:

Date of grant	Number of share options granted *(Note 1)*	Exercise price *(HK$)*	Validity period	Expiry date
31 March 2021	2,480,000	3.78 *(Note 3)*	31 March 2021 to 31 March 2025	31 March 2025
31 March 2022	2,780,500	4.76 *(Note 3)*	31 March 2022 to 31 March 2026	31 March 2026
1 June 2023	4,000,000	2.26 *(Note 2)*	1 June 2023 to 31 March 2027	31 March 2027
28 March 2024	3,500,000	1.12 *(Note 2)*	28 March 2024 to 31 March 2028	31 March 2028

Notes:

1. One third of the options will vest on each of the year-end date within the three years after the date of the grant of the share options.

2. The exercise prices of the share options are equal to the average closing price of the Company's share for the five trading days immediately preceding the respective dates of grant.

3. The exercise price of the share options is equal to the closing price of the Company's share on the date of grant.

The weighted average fair value of the share options granted during the year determined using the Black-Scholes valuation model, which was performed by an independent valuer, Greater China Appraisal Limited, was approximately HK$0.32 (2023: HK$0.51) per option. The significant inputs into the model are as follows:

	2024	2023
Share price, at the grant date (HK$)	**1.11**	2.14
Exercise price (HK$)	**1.12**	2.26
Volatility (%)	**51.22**	50.45
Dividend yield (%)	**5.41**	7.05
Expected share option life (years)	**3.51**	3.33
Annual risk-free interest rate (%)	**3.40**	3.41

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the previous year. See Note 9 for the total expenses recognised in the consolidated income statement for share options granted to employees of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 OTHER RESERVES

	Share premium *RMB'000* *(Restated)*	Statutory reserve *(Note (a))* *RMB'000* *(Restated)*	Capital reserve *(Note (b))* *RMB'000* *(Restated)*	Safety Reserve *(Note (c))* *RMB'000* *(Restated)*	Exchange Reserve *RMB'000* *(Restated)*	Share option reserve *RMB'000* *(Restated)*	Total *RMB'000* *(Restated)*
Year ended 31 December 2023							
At 1 January 2023	5,351,871	702,128	(132,967)	–	(236,261)	2,655	5,687,426
Currency translation differences	–	–	–	–	(91,335)	–	(91,335)
Appropriation to safety reserve	–	–	–	18,576	–	–	18,576
Appropriation to statutory reserve	–	116,299	–	–	–	–	116,299
Employees' share option scheme:							
– exercise of employees' share options	11	–	–	–	–	(1)	10
– value of employee services *(Note 9)*	–	–	–	–	–	2,197	2,197
– release upon the lapse of share options	–	–	–	–	–	(15)	(15)
Issuance of shares in respect of scrip dividend of 2022 final dividend *(Note 21)*	47,912	–	–	–	–	–	47,912
Issuance of shares in respect of scrip dividend of 2023 interim dividend *(Note 21)*	74,330	–	–	–	–	–	74,330
Issuance of shares in respect of rights issue, net of transaction cost *(Note 21)*	1,467,731	–	–	–	–	–	1,467,731
Dividend:							
– 2022 final dividend	(548,597)	–	–	–	–	–	(548,597)
– 2023 interim dividend *(Note 13)*	(255,832)	–	–	–	–	–	(255,832)
At 31 December 2023	6,137,426	818,427	(132,967)	18,576	(327,596)	4,836	6,518,702

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 OTHER RESERVES (Continued)

	Share premium *RMB'000*	Statutory reserve *(Note (a))* *RMB'000*	Capital reserve *(Note (b))* *RMB'000*	Safety Reserve *(Note (c))* *RMB'000*	Exchange Reserve *RMB'000*	Share option reserve *RMB'000*	Total *RMB'000*
Year ended 31 December 2024							
At 1 January 2024 *(Restated)*	6,137,426	818,427	(132,967)	18,576	(327,596)	4,836	6,518,702
Currency translation differences	–	–	–	–	(115,931)	–	(115,931)
Share of the other comprehensive income of investments accounted for equity method	–	–	–	–	47	–	47
Appropriation to safety reserve	–	–	–	16,671	–	–	16,671
Appropriation to statutory reserve	–	124,047	–	–	–	–	124,047
Employees' share option scheme:							
– value of employee services *(Note 9)*	–	–	–	–	–	(440)	(440)
– release upon the lapse of share options	–	–	–	–	–	(609)	(609)
Issuance of shares in respect of scrip dividend of 2023 final dividend *(Note 21)*	6,129	–	–	–	–	–	6,129
Issuance of shares in respect of scrip dividend of 2024 interim dividend *(Note 21)*	77,991	–	–	–	–	–	77,991
Dividend:							
– 2023 final dividend *(Note 13)*	(198,721)	–	–	–	–	–	(198,721)
– 2024 interim dividend *(Note 13)*	(177,750)	–	–	–	–	–	(177,750)
Change in ownership interest in subsidiaries without change of control	–	–	1,416	–	–	–	1,416
At 31 December 2024	5,845,075	942,474	(131,551)	35,247	(443,480)	3,787	6,251,552

Notes:

(a) The PRC subsidiaries are required to allocate 10% of their net profits to the statutory reserve fund until such fund reaches 50% of the companies' registered capitals. The statutory reserve fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the companies, provided that such fund is maintained at a minimum of 25% of the companies' registered capitals.

During the year ended 31 December 2024, the boards of directors of the Company's PRC subsidiaries resolved to appropriate approximately RMB124,047,000 (2023: RMB116,299,000) from retained earnings to statutory reserve.

(b) On 30 June 2015, Xinyi Solar transferred all 200 shares of Xinyi Energy (BVI) to the Company for a consideration of US$200 (equivalent to RMB1,000) and thereafter Xinyi Energy (BVI) has become wholly-owned by the Company. Since then, the Company has become the holding company of the Group. Upon the transfer of shares of Xinyi Energy (BVI), the assets and liabilities of Xinyi Energy (BVI) and its subsidiaries, with aggregate net carrying amount on the same day of HK$166,209,000(equivalent to RMB132,967,000), were transferred to the Company from Xinyi Solar.

During the year ended 31 December 2024, an increase in equity attributable to owners of the Company, amounting to RMB1,416,000, was credited to the capital reserve in relation to the acquisition of 5% equity interests in Guangdong Jike New Energy Development Company Limited.

23 OTHER RESERVES (Continued)

Notes: (Continued)

(c) Pursuant to the relevant PRC regulations, certain PRC subsidiaries are required to transfer production and maintenance funds at fixed rates based on revenue to a specific reserve account. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be transferred from the specific reserve account to retained earnings.

24 ACCRUALS AND OTHER PAYABLES

	2024 **RMB'000**	2023 RMB'000 (Restated)
Payables for property, plant and equipment	**418,509**	351,490
Others *(Note (b))*	**47,373**	31,583
	465,882	383,073
Less: Non-current portion		
Retention payables for property, plant and equipment	**(15,378)**	(14,313)
Current portion	**450,504**	368,760

Notes:

(a) The carrying amounts of accruals and other payables are mainly denominated in RMB and approximate their fair values.

(b) The balance mainly comprises accruals of professional fees, interest for bank borrowings and accrued staff costs.

25 BANK BORROWINGS

Accounting policy of borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statements 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 drawdown 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.

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 end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25 BANK BORROWINGS (Continued)

The bank borrowings are unsecured and repayable as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Within 1 year	**2,541,250**	3,314,725
Between 1 and 2 years	**840,041**	1,119,580
Between 2 and 5 years	**1,696,935**	837,766
More than 5 years	**2,252,248**	443,459
	7,330,474	5,715,530
Less: Non-current portion	**(4,789,224)**	(2,400,805)
Current portion	**2,541,250**	3,314,725

Notes:

(a) As at 31 December 2024 and 2023, corporate guarantee was provided by the Company and its subsidiaries for the bank borrowings.

(b) The Group has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods.

(c) As at 31 December 2024 and 2023, none of bank borrowings contained repayment on demand clause and was classified as current liabilities. These bank borrowings are repayable by instalments up to 2045 (2023: 2038).

(d) As at 31 December 2024 and 2023, the carrying amounts of the Group's bank borrowings are approximate their fair values and denominated in the following currencies:

	2024 RMB'000	2023 RMB'000 (Restated)
HK$	**1,521,340**	4,956,685
RMB	**5,809,134**	758,845
	7,330,474	5,715,530

(e) As at 31 December 2024 and 2023, majority of bank borrowings bore floating interest rates and were exposed to interest rate changes.

The effective interest rates per annum at reporting date were as follows:

	2024	2023
Bank borrowings	**3.50%**	6.05%

26 DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2024 ***RMB'000***	2023 *RMB'000* *(Restated)*
Deferred tax assets	**278,633**	197,643
Set-off of deferred income tax liabilities pursuant to set-off provisions	**(218,660)**	(144,232)
Net deferred income tax assets	**59,973**	53,411
Deferred tax liabilities	**(480,854)**	(403,341)
Set-off of deferred income tax assets pursuant to set-off provisions	**218,660**	144,232
Net deferred income tax liabilities	**(262,194)**	(259,109)

The net movements on the deferred income tax account are as follows:

	2024 ***RMB'000***	2023 *RMB'000* *(Restated)*
At 1 January *(Restated)*	**(205,698)**	(221,392)
Credited to the consolidated income statement *(Note 11)*	**3,476**	15,064
Currency translation differences	**1**	630
At 31 December	**(202,221)**	(205,698)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 DEFERRED INCOME TAX (Continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting balances within the same tax jurisdiction, are as follows:

	Lease liabilities		Temporary difference arising from trade receivables		Total	
	2024 **RMB'000**	2023 RMB'000 (Restated)	**2024** **RMB'000**	2023 RMB'000 (Restated)	**2024** **RMB'000**	2023 RMB'000 (Restated)
Deferred income tax assets						
At 1 January *(Restated)*	**173,127**	154,862	**24,516**	22,786	**197,643**	177,648
Credited to the consolidated income statement	**79,378**	18,264	**1,612**	1,730	**80,990**	19,994
Currency translation differences	**–**	1	**–**	–	**–**	1
At 31 December	**252,505**	173,127	**26,128**	24,516	**278,633**	197,643

	Fair value gains		Right-of-use-assets		Withholding tax		Total	
	2024 **RMB'000**	2023 RMB'000 (Restated)	**2024** **RMB'000**	2023 RMB'000 (Restated)	**2024** **RMB'000**	2023 RMB'000 (Restated)	**2024** **RMB'000**	2023 RMB'000 (Restated)
Deferred income tax liabilities								
At 1 January *(Restated)*	**257,103**	266,300	**145,255**	132,740	**983**	–	**403,341**	399,040
(Credited)/charged to the consolidated income statement	**(10,628)**	(8,565)	**74,125**	12,512	**14,017**	983	**77,514**	4,930
Currency translation differences	**–**	(632)	**(1)**	3	**–**	–	**(1)**	(629)
At 31 December	**246,475**	257,103	**219,379**	145,255	**15,000**	983	**480,854**	403,341

Withholding tax is levied on dividends declared to foreign investors by the foreign investment enterprises established in the PRC, in respect of earnings generated after 31 December 2007. The Group's subsidiaries in the PRC are held by intermediate holding companies incorporated in Hong Kong, which are subject to 5% or 10% withholding tax.

As at 31 December 2024, deferred income tax liabilities of RMB376,401,000 (2023: RMB407,869,000) were not recognised for withholding tax that would be payable on the unremitted earnings of subsidiaries in the PRC, using a 5% (2023: 5%) withholding tax rate. Deferred income tax liability is not recognised where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. As at 31 December 2024, the related total unremitted earnings for which deferred withholding tax liabilities had not been recognised amounted to RMB7,528,013,000 (2023: RMB8,157,372,000).

Deferred tax assets are recognised for tax loss carrying-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2024, there was no significant unrecognised tax loss (2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 CASH FLOW INFORMATION

(a) Reconciliation of profit before income tax to cash generated from operations:

	2024 *RMB'000*	2023 *RMB'000* *(Restated)*
Profit before income tax	**1,167,722**	1,175,075
Adjustments for:		
Interest income *(Note 8)*	**(2,602)**	(6,123)
Interest expense *(Note 8)*	**364,775**	328,388
Depreciation charge of property, plant and equipment *(Note 16)*	**659,980**	574,096
Depreciation charge of right-of-use assets *(Note 17)*	**39,442**	30,344
Share options granted to employees *(Note 9)*	**(440)**	2,197
Impairment loss of goodwill *(Note 6)*	**37,991**	21,760
Loss on disposal of property, plant and equipment *(Note 6)*	**992**	56
Net fair value gains on financial assets at FVPL *(Note 6)*	**(4,888)**	(13,486)
Impairment losses on trade receivables	**6,449**	6,918
Share of net profits of investments accounted for using the equity method *(Note 15)*	**91**	–
	2,269,512	2,119,225
Changes in working capital:		
Trade and other receivables	**(655,861)**	(888,384)
Accruals and other payables	**28,830**	(466)
Amounts due from fellow subsidiaries	**(427)**	331
Restricted cash	**7,837**	(10,837)
Cash generated from operations	**1,649,891**	1,219,869

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2024 *RMB'000*	2023 *RMB'000* *(Restated)*
Net book amount *(Note 16)*	**1,754**	92
Loss on disposal of property, plant and equipment *(Note 6)*	**(992)**	(56)
Proceeds from disposal of property, plant and equipment	**762**	36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 CASH FLOW INFORMATION (Continued)

(c) Major non-cash transactions

	2024 *RMB'000*	2023 *RMB'000* *(Restated)*
Acquisition of right-of-use assets	**305,305**	76,371
Plant and equipment purchased through increase in other payables	**50,909**	70,571
Issuance of shares in lieu of dividends	**85,205**	122,910

(d) Analysis of changes in financing activities during the year

	Liabilities from financing activities				
	Bank borrowings due within 1 year *RMB'000* *(Restated)*	Bank borrowings due after 1 year *RMB'000* *(Restated)*	Lease liabilities *RMB'000* *(Restated)*	Amount due to immediate holding company *RMB'000* *(Restated)*	Total *RMB'000* *(Restated)*
As at 1 January 2023	(2,588,471)	(1,844,667)	(623,004)	(1,242,339)	(6,298,481)
Cash flows	770,773	(1,954,567)	41,930	1,276,292	134,428
Currency translation differences	(68,962)	(16,686)	(2)	(15,656)	(101,306)
Interest on lease liabilities	–	–	(41,367)	–	(41,367)
Interest on deferred consideration payable for acquisition	–	–	–	(18,297)	(18,297)
Inception of leases	–	–	(76,371)	–	(76,371)
Other non-cash movements	(1,428,065)	1,415,115	–	–	(12,950)
As at 31 December 2023	(3,314,725)	(2,400,805)	(698,814)	–	(6,414,344)

27 CASH FLOW INFORMATION (Continued)

(d) Analysis of changes in financing activities during the year (Continued)

	Liabilities from financing activities			
	Bank borrowings due within 1 year *RMB'000*	Bank borrowings due after 1 year *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
As at 1 January 2024 *(Restated)*	**(3,314,725)**	**(2,400,805)**	**(698,814)**	**(6,414,344)**
Cash flows	**2,006,402**	**(3,484,610)**	**73,005**	**(1,405,203)**
Currency translation differences	**(103,573)**	**(23,355)**	**(5)**	**(126,933)**
Interest on lease liabilities	**–**	**–**	**(45,318)**	**(45,318)**
Inception of leases	**–**	**–**	**(305,305)**	**(305,305)**
Other non-cash movements	**(1,129,354)**	**1,119,546**	**–**	**(9,808)**
As at 31 December 2024	**(2,541,250)**	**(4,789,224)**	**(976,437)**	**(8,306,911)**

Note:

The other non-cash movements are mainly the reclassification of non-current borrowings that will mature within 1 year.

28 BANKING FACILITIES

The banking facilities made available to subsidiaries of the Group are as follows:

	2024 ***RMB'000***	2023 *RMB'000* *(Restated)*
Banking facilities granted to subsidiaries of the Company without securities:		
– Available facilities	**11,464,926**	6,555,059
– Facilities utilised	**(7,342,475)**	(5,727,848)
Unutilised facilities	**4,122,451**	827,211

29 RELATED PARTY TRANSACTIONS

As at 31 December 2024, 51.62% (2023: 51.60%) of the Company's shares are held by Xinyi Solar and its subsidiary. Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai, *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung (together, the "**Equity Investors**") in aggregate owns 18.52% (2023: 18.32%) of the Company's shares. 5.54% (2023: 5.46%) of the shares are held by Xinyi Glass Holdings Limited ("**Xinyi Glass**") and its subsidiaries, and the remaining 24.32% (2023: 24.62%) of the shares are widely held.

The Company's controlling shareholders include Xinyi Solar and its subsidiary and the Equity Investors. The Equity Investors are also the controlling shareholders of Xinyi Solar, holding 26.50% (2023: 26.19%) of the shares of Xinyi Solar in issue as at 31 December 2024.

(a) Related party transactions

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the year.

	2024 ***RMB'000***	2023 *RMB'000* *(Restated)*
One-off transactions		
Acquisition of subsidiaries from fellow subsidiaries	**676,451**	287,358
Continuing transactions		
Solar farm operation and management services fees receivable from subsidiaries of Xinyi Solar *(Note)*	**11,485**	9,230

Note:

The transactions constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules. The transactions were conducted at mutually agreed prices and terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

	2024 RMB'000	2023 RMB'000 (Restated)
Due from fellow subsidiaries:		
– Chaohu Jindao Photovoltaic Power Generation Company Limited*	24	1
– Hepu County Xinyi Renewable Energy Limited*	71	–
– Hepu County Xinyi Solar Limited*	251	356
– Kaiping City Ruide Renewable Energy Limited*	49	21
– Qujing Yingli Solar Power Development Limited#	–	76
– Taonan Runhe Risheng Photovoltaic Agricultural Development Company Limited*	61	68
– Wuhu Xinbai Renewable Energy Limited*	60	–
– Xinyi Photovoltaic (Qujing) Limited*	94	–
– Xinyi Solar (Bozhou) Limited*	89	76
– Xinyi Solar (Jinzhai) Limited*	367	166
– Xinyi Solar (Wangjiang) Limited*	210	44
– Xinyun Renewable Energy (Yunfu) Limited *	60	45
– Xinyun Solar (Qujing) Limited#	–	56
	1,336	909
Due from an investment accounted for using the equity method:		
– Parkland Energy	2,235	–
Due to fellow subsidiaries:		
– Bright Top*	–	(14,085)
– Sun Wisdom*	(85,912)	(17,802)
	(85,912)	(31,887)

* Companies under control of Xinyi Solar

\# Fellow subsidiary before acquisition in 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

The amounts due from and due to fellow subsidiaries are unsecured, interest free and repayable on demand. The amounts approximate their fair values and are denominated in RMB.

The amount due from an investment accounted for using the equity method is unsecured, interest bearing and repayable on demand. The amount approximates its fair value and is denominated in MYR.

(c) Leases

	Note	**2024** *RMB'000*	2023 *RMB'000* *(Restated)*
Interest expense on lease liabilities in relation to office area recognised by the Group as a lessee to related parties:			
– Cheer Wise Investment Limited **("Cheer Wise")**	(i), (iii)	**6**	7
– Xinyi Energy Smart (Wuhu) Company Limited **("Xinyi Energy Smart")**	(i), (iv)	**94**	78
– Xinde Gong Yuan (Wuhu) Limited **("Xinde (Wuhu)")**	(ii), (v)	**73**	–
		173	85

Notes:

(i) Both companies under control of Xinyi Glass, a major shareholder of Xinyi Solar.

(ii) The company under the control of Equity Investors.

(iii) Approximate 30 square meter ("**sq.m.**") office area in Hong Kong was provided by Cheer Wise for the Group's operations with rental mutually agreed.

(iv) Approximate 1,500 sq.m. office area in Wuhu has been provided by Xinyi Energy Smart for the Group's occupations with rental mutually agreed.

(v) Approximate 980 mu land area in Wuhu has been provided by Xinde (Wuhu) for the Group's occupations with rental mutually agreed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 RELATED PARTY TRANSACTIONS (Continued)

(d) Key management compensation

Key management includes executive and non-executive directors as well as senior management.

The compensation paid or payable to key management for employee services is shown below:

	2024 **RMB'000**	2023 RMB'000 (Restated)
Salaries, allowances and benefits in kind	**10,933**	7,496
Retirement benefit scheme contributions	**82**	85
Share options granted	**149**	845
	11,164	8,426

30 FINANCIAL INSTRUMENTS BY CATEGORY

	2024 **RMB'000**	2023 RMB'000 (Restated)
Financial assets at amortised cost		
Trade and other receivables excluding prepayments and other tax receivables	**4,247,742**	3,618,903
Amounts due from fellow subsidiaries	**1,336**	909
Amount due from an investment accounted for using equity method	**2,235**	–
Restricted cash	**3,000**	10,837
Cash and cash equivalents	**354,238**	587,926
	4,608,551	4,218,575
Financial liabilities at amortised cost		
Accruals and other payables excluding accruals of staff costs and other taxes payables	**450,744**	368,454
Bank borrowings	**7,330,474**	5,715,530
Amounts due to fellow subsidiaries	**85,912**	31,887
Lease liabilities	**976,437**	698,814
	8,843,567	6,814,685

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY

	Note	2024 RMB'000	2023 RMB'000 (Restated)
ASSETS			
Non-current assets			
Investment in subsidiaries		**4,411,018**	4,274,097
Current assets			
Prepayments		**118**	660
Amounts due from subsidiaries		**4,742,301**	4,824,600
Cash and cash equivalents		**689**	1,264
Total current assets		**4,743,108**	4,826,524
Total assets		**9,154,126**	9,100,621
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	21	**72,497**	71,412
Share premium	(a)	**5,845,075**	6,137,426
Share option reserve	(a)	**3,787**	4,836
Exchange reserve	(a)	**654,234**	451,315
Accumulated losses	(a)	**(140,175)**	(393,117)
Total equity		**6,435,418**	6,271,872
LIABILITIES			
Current liabilities			
Accruals and other payables		**3,373**	1,983
Amounts due to subsidiaries		**2,715,335**	2,826,766
Total current liabilities		**2,718,708**	2,828,749
Total equity and liabilities		**9,154,126**	9,100,621

The balance sheet of the Company was approved by the Board of Directors on 28 February 2025 and was signed on its behalf.

LEE Shing Put, B.B.S.
Chairman and Executive Director

TUNG Fong Ngai
Chief Executive Officer and Executive Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 BALANCE SHEET AND RESERVE MOVEMENTS OF THE COMPANY (Continued)

Note:

(a) Movements of share premium, share option reserve and accumulated losses of the Company

	Share premium *RMB'000* *(Restated)*	Share option reserve *RMB'000* *(Restated)*	Exchange reserve *RMB'000* *(Restated)*	Accumulated losses *RMB'000* *(Restated)*
At 1 January 2023	5,351,871	2,655	346,597	(366,557)
Loss for the year	–	–	–	(26,545)
Currency translation difference	–	–	104,718	–
Employees' share option scheme:				
– exercise of employees' share options	11	(1)	–	–
– value of employee services *(Note 9)*	–	2,197	–	–
– release upon the lapse of share options	–	(15)	–	(15)
Issuance of shares in respect of scrip dividend of 2022 final dividend *(Note 21)*	47,912	–	–	–
Issuance of shares in respect of scrip dividend of 2023 interim dividend *(Note 21)*	74,330	–	–	–
Issuance of shares in respect of rights issue, net of transaction cost *(Note 21)*	1,467,731	–	–	–
Dividend:				
– 2022 final dividend	(548,597)	–	–	–
– 2023 interim dividend *(Note 13)*	(255,832)	–	–	–
At 31 December 2023	6,137,426	4,836	451,315	(393,117)

	Share premium ***RMB'000***	**Share option reserve** ***RMB'000***	**Exchange reserve** ***RMB'000***	**Accumulated losses** ***RMB'000***
At 1 January 2024 *(Restated)*	**6,137,426**	**4,836**	**451,315**	**(393,117)**
Profit for the year				**252,333**
Currency translation difference	**–**	**–**	**202,919**	**–**
Employees' share option scheme:	**–**	**–**	**–**	**–**
– value of employee services *(Note 9)*	**–**	**(440)**	**–**	**–**
– release upon the lapse of share options	**–**	**(609)**	**–**	**609**
Issuance of shares in respect of scrip dividend of 2023 final dividend *(Note 21)*	**6,129**	**–**	**–**	**–**
Issuance of shares in respect of scrip dividend of 2024 interim dividend *(Note 21)*	**77,991**	**–**	**–**	**–**
Dividend:				
– 2023 final dividend *(Note 13)*	**(198,721)**	**–**	**–**	**–**
– 2024 interim dividend *(Note 13)*	**(177,750)**	**–**	**–**	**–**
At 31 December 2024	**5,845,075**	**3,787**	**654,234**	**(140,175)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32 CONTINGENCIES

The Company and the Group did not have any significant contingent liabilities as at 31 December 2024 (2023: Nil).

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These consolidated policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Xinyi Energy Holdings Limited and its subsidiaries.

33.1 Consolidation

33.1.1 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 over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 33.2).

Intercompany 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 income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

33.1.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. 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 subsidiary. 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.

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.1 Consolidation (Continued)

33.1.2 Changes in ownership interests (Continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of 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 income statement. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate 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 the consolidated income statement or transferred to another category of equity as specified/permitted by applicable HKFRSs.

33.2 Business combinations

The acquisition method of accounting is used to account for all business combinations including business combination under common control, regardless of whether equity instruments or other assets are acquired. 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 business;
- 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, with limited exceptions, 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, the 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 income statement as a bargain purchase.

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 a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.2 Business combinations (Continued)

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 income statement.

33.3 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 subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

33.4 Joint arrangements

Under HKRFS 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. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

33.5 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 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 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 amounts of equity-accounted investments is tested for impairment in accordance with the policy described in Note 33.8.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.6 Foreign currency translation

(a) 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 company's functional currency is HK$.The consolidated financial statements are presented in RMB, which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statements.

Foreign exchange gains and losses are presented in the consolidated income statements within "other gains/(losses), 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. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and balance sheets of all the 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:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average 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 rate on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.6 Foreign currency translation (Continued)

(c) Group companies (Continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, 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 entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

33.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and subsequent accumulated 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 profit or loss during the reporting period in which they are incurred.

Construction in progress represents Solar Farms and buildings on which construction work has not been completed and which, upon completion, management intends to hold for generation of electricity income purposes. Construction in progress is carried at cost which includes development and construction expenditures incurred and interest and other direct costs attributable to the development less any accumulated impairment losses. On completion, construction in progress is transferred to appropriate categories of property, plant and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains/(losses), net" in the consolidated income statements.

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.8 Impairment of non-financial assets

The Group's accounting policy for impairment of goodwill is explained in Note 18. 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 FVLCOD and VIU. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (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.

33.9 Financial assets

(a) 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 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 other comprehensive income. 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 FVOCI.

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

(b) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.9 Financial assets (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "Other gains/(losses), net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses), net" and impairment expenses are presented as separate line item in the consolidated income statement.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "Other gains/(losses), net" in the period in which it arises.

(d) Cash flows

The Group reports its investing cash flows arising from financial assets on a gross basis, except for cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short.

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheets 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 the event of default, insolvency or bankruptcy of the Company or the counterparty.

33.11 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3 details how the Group determines whether there has been a significant increase in credit risk.

The Group's accounting policy for impairment of trade and other receivables is explained in Note 19. Amounts due from fellow subsidiaries, restricted cash and cash and cash equivalents are measured at either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

33.12 Cash and cash equivalents and restricted cash

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments 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.

Bank deposits which are restricted to use are included in "restricted cash" and are excluded from cash and cash equivalents in the consolidated statement of cash flows.

33.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

33.14 Accruals and other payables

Accruals 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.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.15 Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated income statements in the year in which they are incurred.

33.16 Provisions

Provisions 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 has been 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 the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

33.17 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.

(a) Current income tax

The current income tax charge 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 and associates 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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.17 Current and deferred income tax (Continued)

(b) 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 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 where there is a legally enforceable right to offset current tax assets and liabilities and where 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.

Current and deferred income 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.18 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(b) Pension obligations

The Group participates in a number of defined contribution plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant group companies. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.19 Share-based payments

(a) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration of equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the 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 hold shares for a specific period of time).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. 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 entities revise their estimates of the number of options that are expected to vest based on the non-market marketing performance and service conditions. It recognised the impact of the revision to original estimates, if any, in the consolidated income statement, 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 cost are credited to share capital (and share premium).

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.20 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.

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 payments.

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.

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 for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date.

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-value assets are recognised on a straight-line basis as an expense in the consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.

33.21 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

33.22 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets as part of "Other gains/(losses), net".

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated income statement. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, details are disclosed in Note 8.

Interest income is recognised on a time-proportion basis using the effective interest method. When a financial asset at amortised cost is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the financial asset, and continues unwinding the discount as interest income. Interest income on impaired financial assets at amortised cost are recognised using the original effective interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (Continued)

33.23 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

33.24 Earnings per share

(a) 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; and
- 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.

(b) 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.

FINANCIAL SUMMARY

	Year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Restated)	*(Restated)*	*(Restated)*	*(Restated)*
Result					
Revenue	**2,440,447**	2,280,821	1,970,852	1,908,080	1,541,551
Cost of sales	**(840,717)**	(732,440)	(583,975)	(512,702)	(425,519)
Gross profit	**1,599,730**	1,548,381	1,386,877	1,395,378	1,116,032
Profit before income tax	**1,167,722**	1,175,075	1,069,075	1,210,471	974,537
Income tax expense	**(376,220)**	(275,229)	(253,657)	(184,066)	(148,796)
Profit for the year	**791,502**	899,846	815,418	1,026,405	825,741
Profit attributable to:					
– the equity holders of the company	**790,851**	898,292	813,234	1,024,304	825,374
– non-controlling interest	**651**	1,554	2,184	2,101	367
	790,502	899,846	815,418	1,026,405	825,741

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(Restated)	*(Restated)*	*(Restated)*	*(Restated)*
Assets and Liabilities					
Total assets	**21,668,501**	19,263,243	17,844,199	17,334,714	14,464,364
Total liabilities	**9,164,016**	7,133,624	7,318,250	7,065,289	4,384,132
	12,504,485	12,129,619	10,525,949	10,269,425	10,080,232
Equity					
Equity attributable to equity holders of the Company	**12,504,485**	12,119,808	10,517,692	10,263,352	10,076,261
Non-controlling interests	**–**	9,811	8,257	6,073	3,971
	12,504,485	12,129,619	10,525,949	10,269,425	10,080,232