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Concord New Energy Group Limited

協合新能源集團有限公司*

(於百慕達註冊成立之有限公司)

(股份代碼：182)

海外監管公告 介紹文件

本公告乃由Concord New Energy Group Limited (協合新能源集團有限公司*) (「本公司」) 根據香港聯合交易所有限公司證券上市規則第13.10B條而作出。

請參閱附件，該文件為本公司於二零二五年十二月二十六日就有關建議於新加坡交易所證券交易有限公司(「新交所」)進行本公司已發行普通股第二上市，在新交所網站上刊發的介紹文件。

承董事會命

Concord New Energy Group Limited

協合新能源集團有限公司*

主席

劉順興

香港，二零二五年十二月二十九日

於本公告日期，董事會成員包括劉順興先生(主席)、劉建紅女士(副主席)、牛文輝先生(行政總裁)、翟鋒先生、尚佳女士及陳錦坤先生(為執行董事)，王峰先生(為非執行董事)，以及黃簡女士、方之熙先生、張忠先生、李永麗女士及蔡斌先生(為獨立非執行董事)。

* 僅供識別



CONCORD NEW ENERGY GROUP LIMITED

协合新能源集团有限公司*

(Company Registration Number: 23515)

(An exempted company incorporated in Bermuda with limited liability on 27 June 1997)

INTRODUCTORY DOCUMENT DATED 26 DECEMBER 2025

This Introductory Document is important. You should consider the information provided in this document carefully, and consider whether you understand what is described in this Introductory Document. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choices.

This introductory document (the "**Introductory Document**") is issued by Concord New Energy Group Limited (the "**Company**") in connection with the secondary listing by way of an introduction (the "**Introduction**") of the ordinary shares of our Company (the "**Shares**") on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (as defined herein). This Introductory Document provides information on our Company and our Shares in compliance with the listing requirements of the SGX-ST. Our Shares are listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") under the stock code "182" and will continue to be listed and traded on the HKSE following the completion of the Introduction.

An application has been made to the SGX-ST for permission to list all our Shares on the Main Board of the SGX-ST, which will be granted when we have been admitted to the Official List of the SGX-ST. There are certain risks in connection with an investment in our Shares. Please refer to the section entitled "*Risk Factors*" of this Introductory Document for further details. When our Shares become tradable on the SGX-ST, they will be quoted and traded in Singapore dollars. Our Shares will be traded in board lot size of 100 Shares.

Our Company has received a letter of eligibility from the SGX-ST for the listing and quotation of our Shares on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Introductory Document. Our Company's eligibility to list and admission to the Official List of the SGX-ST are not to be taken as an indication of the merits of the Introduction, our Group (as defined herein), our Company or our Shares.

This Introductory Document is issued for information purposes only. Nothing in this Introductory Document constitutes or shall be construed as an offer, or an invitation or a solicitation of an offer by us or on our behalf, to the public to subscribe for or purchase, any of our Shares. No Shares or any other securities shall be allotted or allocated on the basis of this Introductory Document. This Introductory Document is not a prospectus under Singapore law and has not been lodged with, or registered by, the Monetary Authority of Singapore (the "**MAS**"). The MAS assumes no responsibility for the contents of this Introductory Document. The MAS has not, in any way, considered the merits of our Shares being listed.

* for identification purpose only

Issue Manager



CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.

(Company Registration No.: 198701621D)

(Incorporated in the Republic of Singapore)

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NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this Introductory Document, and any information or representation not so contained must not be relied upon as having been authorised by our Company or the Issue Manager (as defined herein). The delivery of this Introductory Document shall not under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of our Group or our Shares since the date hereof. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, our Company will make an announcement of the same to the SGX-ST. Recipients of this Introductory Document and all prospective investors in our Shares should take note of such announcements and documents and upon release of such announcements or documents shall be deemed to have notice of such changes. No representation, warranty or covenant, expressed or implied, is made by our Company, the Issue Manager or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Introductory Document is, or shall be relied upon, as a promise, representation or covenant by our Company, the Issue Manager or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

Recipients of this Introductory Document and all prospective investors in our Shares should not construe the contents of this Introductory Document or its appendices as legal, business, financial or tax advice. Recipients of this Introductory Document and all prospective investors in our Shares should consult their own professional advisers as to the legal, business, financial, tax and related aspects of holding and owning our Shares.

This Introductory Document has been prepared solely for the purpose of the Introduction and may not be relied upon by any persons for purposes other than the Introduction prior to the Listing Date (as defined herein) or for any purpose whatsoever on or after the Listing Date. This Introductory Document does not constitute, and nothing in this Introductory Document constitutes or shall be construed to constitute an offer, invitation or solicitation in any jurisdiction to subscribe for or purchase our Shares. This Introductory Document does not constitute a prospectus under Singapore law and has not been lodged with or registered by the MAS.

The use or distribution of this Introductory Document may be prohibited or restricted by law in certain jurisdictions. Our Company and the Issue Manager require persons into whose possession this Introductory Document comes to inform themselves of and to observe any such prohibition or restriction at their own expense and without liability to our Company and the Issue Manager. Persons to whom a copy of this Introductory Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Introductory Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

Certain Chinese names and characters, such as those of entities, properties, cities, governmental and regulatory authorities, laws and regulations and notices, have been translated into English or from English names and characters, solely for your convenience, and such translations should not be construed as representations that the English names actually represent Chinese names and characters or that the Chinese names actually represent the English names and characters.

A copy of this Introductory Document is available on SGXNET at <http://www.sgx.com>.

FORWARD-LOOKING STATEMENTS

Certain statements in this Introductory Document constitute "forward-looking statements". All statements other than statements of historical fact included in this Introductory Document, including those regarding our financial position and results, business strategies, plans and objectives of management for future operations (including development plans and dividends), are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future.

Forward-looking statements involve inherent risks and uncertainties. The forward-looking statements included in this Introductory Document reflect our current views with respect to future events and are not a guarantee of future performance. You can identify these forward-looking statements by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "believe", "likely to", or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. These include, but are not limited to:

- our goals and strategies;
- our ability to maintain relationships with, and/or the actions and developments affecting, our customers and suppliers;
- our future business development, financial condition and results of operations;
- market demand for electricity and government policies;
- effects of competition;
- capital expenditure plans;
- changes or volatility in interest rates, equity prices, volumes, operations, margins, risk management and overall market trends;
- the effects of the global financial markets and economic crisis;
- capital market developments;
- our dividend policy;
- changes in laws, regulations, governmental policies and general outlook applicable to our industry or business, including licensing requirements;
- general economic, political, legal and regulatory conditions in the countries in which we operate; and
- other factors beyond the control of our Group or any other matters not yet known to us.

You should read this Introductory Document and the documents that we refer to in this Introductory Document with the understanding that our actual future results may be materially different from or worse than what we expect. Other sections of this Introductory Document include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on

our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Additional factors that could cause actual results, performance, or achievements to differ materially include, but are not limited to, those discussed under the sections entitled "*Risk Factors*", "*Dividend Policy*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of this Introductory Document. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. In addition, their inclusion in this Introductory Document shall not be regarded as a representation or warranty by our Company or the Issue Manager that the plans and objectives of our Group will be achieved. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This Introductory Document contains certain data and information that we have obtained from industry publications and reports generated by third party providers of market intelligence. Our Company, Directors and the Issue Manager (except where reasonable and appropriate to do so) have not independently verified the accuracy or completeness of the data and information contained in these publications and reports. Statistical data in these publications also include projections based on a number of assumptions. The renewable energy industry may not grow at the rate projected by market data, or at all. Failure of the industry to grow at the projected rate may have a material and adverse effect on our business and the market price of our Shares. If any one (1) or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. These forward-looking statements speak only as at the date of this Introductory Document. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Any such information may change in light of future developments. We expressly disclaim any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in the expectations of our Company with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.

Announcements and other public disclosures made by our Company on the websites of HKSE at https://www.hkex.com.hk/?sc_lang=en and our Company at <https://concordnewenergy.com/investor/> from time to time may contain forward-looking statements. Such forward-looking statements may include, without limitation, management projections that are prospective statements and have not been audited nor reviewed by the Independent Auditor. These prospective statements may not eventually materialise, and they should not be treated as audited or reviewed financial forecasts or estimates. They are not to be deemed in any way as being part of this Introductory Document or incorporated by reference in any way. Investors should exercise care when viewing such forward-looking statements. In the event of doubt, investors should consult their own professional advisers.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in Bermuda to take advantage of certain benefits associated with being a Bermuda exempted company, such as:

- the political and economic stability;
- an effective judicial system;
- a favourable tax system;
- the non-application of exchange control to exempted companies; and
- the availability of professional and support services.

However, certain disadvantages accompany an incorporation in Bermuda. These disadvantages include, but are not limited to, that Bermuda may have a less developed body of securities laws as

compared to Hong Kong and Singapore and these securities laws may provide less protection to investors as compared to Hong Kong and Singapore.

Our Bye-Laws do not contain provisions requiring that disputes, including those arising under the securities laws of Hong Kong or Singapore, between us, our officers, Directors and Shareholders (as defined herein), be arbitrated.

Most of our operations are conducted in China and Hong Kong, and substantially all of our assets are located in China and Hong Kong. A majority of our Directors and Executive Officers (as defined herein) are nationals or residents of China and/or Hong Kong. As a result, depending on the subject of a claim, it may be difficult for a Shareholder within Hong Kong and/or Singapore to effect service of process upon these individuals (to the extent such service is to be effected in another jurisdiction (e.g. if a Hong Kong and/or Singapore shareholder wishes to effect service of process on a Director in China)), or to bring an action against us or these individuals in Hong Kong and/or Singapore (to the extent such action is to be brought in another jurisdiction), or to enforce against us or them judgments obtained in Hong Kong and/or Singapore courts (as judgments obtained in a foreign jurisdiction, as applicable), including judgments predicated upon the civil liability provisions of the securities laws of Hong Kong or Singapore.

Bermuda

The courts of Bermuda would recognise as a valid judgment a final and conclusive judgment in personam obtained in the Hong Kong or Singapore courts under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) and would give a judgment based thereon provided that:

- such courts had proper jurisdiction over the parties subject to such judgment;
- such courts did not contravene the rules of natural justice of Bermuda;
- such judgment was not obtained by fraud;
- the enforcement of the judgment would not be contrary to the public policy of Bermuda;
- no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of Bermuda; and
- there is due compliance with the correct procedures under the laws of Bermuda.

The PRC

In addition, there is uncertainty as to whether the courts of the PRC would:

- recognise or enforce judgments of Hong Kong courts or Singapore courts obtained against us or our Directors or officers predicated upon the civil liability provisions of the securities laws of Hong Kong or Singapore; or
- entertain original actions brought in each respective jurisdiction against us or our Directors or Executive Officers predicated upon the securities laws of Hong Kong and/or Singapore.

In addition, we understand that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law (《中华人民共和国民事诉讼法》) (the "**PRC Civil Procedures Law**"). The PRC courts may recognise and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between the PRC and the country where the judgment is made or on principles of reciprocity between jurisdictions. The PRC does not have any treaties with Bermuda and Singapore that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our Directors and Executive Officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in Singapore or in Bermuda. Under the PRC Civil Procedures Law, foreign

shareholders may originate actions based on PRC law against a company in the PRC for disputes if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit.

On 18 January 2019, the PRC Supreme People's Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《关于内地与香港特别行政区法院相互认可和执行民商事案件判决的安排》) (the "**PRC-HK 2019 Arrangement**"), which extends the scope of judicial assistance available for civil and commercial matters. The PRC-HK 2019 Arrangement became effective on 29 January 2024 simultaneously in both Hong Kong and the PRC, and applies to judgments made by the courts of Hong Kong and the PRC. Notwithstanding the foregoing, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the basic principles of the PRC law or the social and public interest of the PRC or meets other circumstances specified by the PRC-HK 2019 Arrangement. While it is expected that the PRC courts will recognise and enforce a judgment given by the Hong Kong courts, there can be no assurance that the PRC courts will do so for all such judgments.

It will be, however, difficult for Singapore or Hong Kong Shareholders to originate actions against us in the PRC in accordance with PRC laws because we are incorporated under the laws of Bermuda and it will be difficult for Singapore or Hong Kong Shareholders, by virtue only of their holding of our Shares, to establish a connection to the PRC for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

Hong Kong

A foreign judgment may or may not be enforced in Hong Kong. A foreign judgment in civil and commercial matters (other than a PRC judgment) may be enforced in Hong Kong by one (1) of two (2) avenues, either through the Foreign Judgments (Reciprocal Enforcement) Ordinance (Cap. 319 of the Laws of Hong Kong) (the "**FJR Ordinance**"), or by common law. The recognition and enforcement of judgments from the PRC in civil and commercial matters in Hong Kong are governed by two (2) regimes, namely (1) the Mainland Judgments (Reciprocal Enforcement) Ordinance (Cap. 597 of the Laws of Hong Kong), which came into effect on 1 August 2008 (the "**2008 Regime**"), and (2) the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645 of the Laws of Hong Kong) and relevant rules (Cap. 645A of the Laws of Hong Kong), which came into effect on 29 January 2024 (collectively, the "**2024 Regime**").

The FJR Ordinance enables the enforcement of foreign judgments (other than judgments from the PRC) through a process of registration of judgments from the superior courts in designated countries and certain parts of the Commonwealth, provided that requirements under the FJR Ordinance are met. Such requirements include (among other things) that the foreign judgment is final and conclusive as between the parties thereto, and that there is a sum of money payable under the foreign judgment, not being a sum payable in respect of taxes or a fine or other penalty. A judgment made by, for example, a Singapore court can be enforced in Hong Kong under the FJR Ordinance. A Hong Kong court may, upon application by the party against whom a foreign judgment is sought to be enforced under the FJR Ordinance, set aside the registration of such foreign judgment if the court is satisfied, among other things, that the original court had no jurisdiction in the circumstances of the case, or that the defendant in the proceedings in the original court did not receive notice of the proceedings in sufficient time to enable him to defend the proceedings and did not appear, or that the judgment was obtained by fraud, or that the enforcement of the judgment shall be contrary to public policy in Hong Kong.

Foreign judgments in civil and commercial matters deriving from countries other than those designated under the FJR Ordinance and judgments from the PRC which met the requirements under either the 2008 Regime or the 2024 Regime, such as the United States and Bermuda, may be enforced by common law, meaning that proceedings for enforcement of such a foreign judgment (e.g. a United States or a Bermuda judgment) may be commenced in the Hong Kong courts by a writ of summons. In a common law action for enforcement of a foreign judgment in civil and commercial matters in Hong Kong, the enforcement is subject to various conditions, including (without limitation) that the foreign judgment is a final judgment conclusive upon the merits of the claim, and such a judgment must be for

a fixed sum and must also come from “competent” court (as determined by the private international law rules applied by the Hong Kong courts). The defences that are available to a defendant in a common law action brought on the basis of a foreign judgment include lack of jurisdiction, breach of natural justice, fraud, and being contrary to public policy.

Under the 2008 Regime, recognition and enforcement of judgments from the PRC in Hong Kong are on the condition that certain requirements are met, including but not limited to, that the judgment must be a final and conclusive judgment enforceable in the PRC given by a designated court from the PRC exercising its jurisdiction in business-to-business agreements where the parties concerned have agreed in writing to designate a people’s court from the PRC as the forum to have sole jurisdiction for resolving such disputes, and the judgment orders the payment of a sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty). The 2008 Regime will apply to judgments from the PRC (1) dated between 1 August 2008 and 28 January 2024, and (2) dated 29 January 2024 or thereafter dealing with a written agreement dated between 1 August 2008 and 28 January 2024 designating a people’s court from the PRC as the forum to have sole jurisdiction for resolving such disputes.

As from 29 January 2024, the 2024 Regime came into force, which no longer requires the existence of a written agreement designating a people’s court from the PRC as the forum to have sole jurisdiction for resolving such disputes. The 2024 Regime will apply to judgments dated on or after 29 January 2024, unless the judgment deals with a written agreement dated between 1 August 2008 and 28 January 2024 designating a people’s court from the PRC as the forum to have sole jurisdiction for resolving such disputes (in which case the 2008 Regime will apply). The 2024 Regime covers judgments that are civil and commercial in nature (including both monetary and non-monetary rulings), as well as judgments which are criminal in nature but contain an order for the payment of a sum of money in respect of compensation and damages. A judgment from the PRC includes judgment, ruling, conciliatory statement or order of payment, but does not include a ruling given in respect of an interim measure.

Singapore

Generally, final money judgments and non-money judgments issued by the courts in Hong Kong are enforceable by way of registration in the Singapore courts, pursuant to the Reciprocal Enforcement of Foreign Judgments Act 1959 (the “REFJA”) read with the Reciprocal Enforcement of Foreign Judgments (Hong Kong Special Administrative Region of the People’s Republic of China) Order. Registration of a Hong Kong judgment is subject to certain conditions being met.

A “money judgment” is defined in the REFJA as “a judgment under which a sum of money is payable, not being a sum payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalty”; while a “non-money judgment” is defined in the REFJA as “a judgment that is not a money judgment, but does not include a judgment under which a sum of money is payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalty”. Judgments that are registrable under the REFJA exclude “a judgment under which a sum of money is payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalty”, suggesting that it is not intended to apply to statutory or regulatory-related civil penalties.

The Singapore courts may not recognise or enforce any judgment from the courts of Hong Kong against us, our Directors and Executive Officers, based upon the civil liability provisions of the securities laws of Hong Kong, to the extent that the judgment is punitive or penal. We are not aware of any precedents where judgments of courts in Hong Kong based upon the civil liability provisions of the securities laws of Hong Kong which permit punitive or penal awards have been recognised or enforced by the Singapore court. It is uncertain as to whether a judgment obtained from Hong Kong courts under civil liability provisions of the securities law of Hong Kong would be (i) determined by the Singapore courts to be or not to be punitive or penal in nature; or (ii) recognised or enforced by the Singapore courts. Such a determination has yet to be made by any Singapore court. Further, there is doubt as to whether the Singapore courts will enter judgments in original actions brought in the Singapore courts based solely on the civil liability provisions of these securities laws.

Foreign judgments from the PRC are not covered by the REFJA but may be recognised and enforced under common law if they meet certain requirements, such as the judgment being a decision on the

merits of the case having final and conclusive effect and the absence of applicable defences to its recognition. While there is no formal and binding reciprocal enforcement arrangement between Singapore and the PRC, a judgment creditor seeking to enforce a PRC court judgment under the common law should have regard to the Memorandum of Guidance Between the Supreme People's Court of the People's Republic of China and the Supreme Court of Singapore on Recognition and Enforcement of Money Judgments in Commercial Cases ("**MOG**") signed on 31 August 2018 between Singapore and the PRC. The MOG, though non-binding in nature, provides some guidance as to the recognition and/or enforcement in Singapore courts of judgments issued by the courts of the PRC.

PRESENTATION OF FINANCIAL AND STATISTICAL INFORMATION

This Introductory Document contains the independent auditors' report and the audited consolidated financial statements of our Company and its subsidiaries as at and for each of the years ended 31 December 2022, 2023 and 2024, as set out in Appendix A to this Introductory Document (the "**Audited Consolidated Financial Statements**") and the independent review report and the unaudited interim condensed consolidated financial statements of our Company and its subsidiaries as at and for the six (6) months ended 30 June 2025 as set out in Appendix B to this Introductory Document (the "**Unaudited Interim Condensed Consolidated Financial Statements**").

Investors should exercise care and caution when viewing these financial statements. In the event of doubt, investors should consult their own professional advisers.

The Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements have been prepared by our Company in accordance with HKFRS (as defined below) Accounting Standards issued by the HKICPA (as defined below), and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong). The Audited Consolidated Financial Statements have been audited by KPMG ("**KPMG**" or the "**Independent Auditor**"), and the audit is conducted in accordance with the Hong Kong Standards on Auditing ("**HKSA**") issued by the HKICPA. The Unaudited Interim Condensed Consolidated Financial Statements have been reviewed, but not audited, by the Independent Auditor, and should be read in conjunction with the "*Independent Review Report and the Unaudited Interim Condensed Consolidated Financial Statements of Concord Energy Group Limited and Its Subsidiaries as at and for the Six (6) Months Ended 30 June 2025*" as set out in Appendix B to this Introductory Document.

We have obtained a waiver from the SGX-ST from compliance with Rule 211A(2) of the Listing Manual, which requires our financial statements to be reconciled to SFRS(I) (as defined below), or IFRS (as defined below), or US Generally Accepted Accounting Principles. We have also obtained a waiver from the SGX-ST from compliance with Rule 211A(3) of the Listing Manual, which requires our financial statements to be audited by certified public accountants in accordance with the Singapore Standards on Auditing, International Standards on Auditing ("**ISA**") or US Generally Accepted Auditing Standards. See the section entitled "*Our Listing on the SGX-ST*" of this Introductory Document for more information. The Independent Auditor is of the opinion that no material adjustments are required to restate the Audited Consolidated Financial Statements prepared in HKFRS as if such financial statements were prepared in accordance with IFRS for the Period Under Review, and that there are no material differences between the HKSA and ISA. The Independent Auditor has also audited and rendered unqualified audit reports in respect of the Audited Consolidated Financial Statements and rendered an unqualified review report in respect of the Unaudited Interim Condensed Consolidated Financial Statements. Subject to Hong Kong's periodic disclosure regulations, it is currently expected that our Company's financial statements will continue to be prepared (and released on the HKSE and the SGX-ST) in accordance with HKFRS and audited in accordance with the HKSA, which are in compliance with such requirements in relation to financial reporting and accounting and auditing standards under the applicable rules and requirements in Hong Kong.

Figures in this Introductory Document have been subject to rounding adjustments. Accordingly, figures shown for the same item of information may vary and figures which are totals may not be an arithmetic aggregate of their components.

We maintain our accounts and publish our financial statements in RMB. This Introductory Document contains translations of RMB amounts into Singapore dollars solely for the convenience of the reader. Unless otherwise indicated, RMB amounts in this Introductory Document have been translated into

Singapore dollars based on the exchange rate of RMB5.45 = S\$1.00, quoted by Bloomberg L.P.⁽¹⁾ as at the Latest Practicable Date. However, these translations should not be construed as representations that RMB amounts have been, would have been or could be converted into Singapore dollars or that Singapore dollar amounts have been, would have been or could be converted into RMB at those rates or any other rate or at all. See the section entitled "*Exchange Rates and Exchange Controls*" of this Introductory Document for certain historical information on the exchange rate between the RMB and Singapore dollar.

MARKET AND INDUSTRY INFORMATION

We derive certain facts and statistics in this Introductory Document relating to the renewable energy industry globally from various publicly available industry, government and research publications. This Introductory Document also includes industry data and forecasts that we obtained from such industry publication and surveys, reports of governmental agencies and internal company surveys. Our Company, Directors and the Issue Manager have taken reasonable action to ensure that the facts and statistical data used in this Introductory Document have been extracted from these sources in their proper form and context. However, our Company, Directors and the Issue Manager (except where reasonable and appropriate to do so) have not verified the accuracy of the information extracted nor have our Company, Directors and the Issue Manager obtained the specific consent of these sources for the inclusion of such information in this Introductory Document.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and are not necessarily reflective of actual market conditions.

Note:

- ⁽¹⁾ Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from its database, and is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from Bloomberg L.P.'s database has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of the information contained in that database or verified the accuracy of the contents of the relevant information.

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Liu Shunxing (刘顺兴) (Chairman and Executive Director) Ms. Liu Jianhong (刘建红) (Vice Chairperson and Executive Director) Mr. Niu Wenhui (牛文辉) (Executive Director and CEO) Mr. Zhai Feng (翟锋) (Executive Director and Vice President) Ms. Shang Jia (尚佳) (Executive Director and Vice President) Mr. Chan Kam Kwan, Jason (陈锦坤) (Executive Director) Mr. Wang Feng (王峰) (Non-Executive Director) Ms. Huang Jian (黄简) (Independent Non-Executive Director) Mr. Jesse Zhixi Fang (方之熙) (Independent Non-Executive Director) Mr. Zhang Zhong (张忠) (Independent Non-Executive Director) Ms. Li Yongli (李永丽) (Independent Non-Executive Director) Mr. Chua Pin (蔡斌) (Independent Non-Executive Director)
COMPANY SECRETARY	Mr. Chan Kam Kwan, Jason (陈锦坤) Company Secretary of our Company, a member of the American Institute of Certified Public Accountants (AICPA)
REGISTERED OFFICE	Clarendon House 2 Church Street Hamilton HM11 Bermuda
REGISTRATION NUMBER	23515
HEAD OFFICE AND PRINCIPAL PLACES OF BUSINESS	Singapore 30 Cecil Street #21-01/02 Prudential Tower Singapore 049712 Hong Kong Room 4901, 49/F, Sun Hung Kai Centre 30 Harbour Road Wan Chai, Hong Kong
ISSUE MANAGER	CGS International Securities Singapore Pte. Ltd. 10 Marina Boulevard #10-01 Marina Bay Financial Centre Tower 2 Singapore 018983
LEGAL ADVISER TO THE INTRODUCTION AND TO OUR COMPANY AS TO SINGAPORE LAW	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
LEGAL ADVISER TO OUR COMPANY AS TO BERMUDA LAW	Conyers Dill & Pearman 29th Floor One Exchange Square 8 Connaught Place Central, Hong Kong

LEGAL ADVISER TO OUR COMPANY AS TO HONG KONG LAW	Sidley Austin 39/F, Two International Finance Centre Central, Hong Kong
LEGAL ADVISER TO OUR COMPANY AS TO PRC LAW	Beijing Jincheng Tongda & Neal Law Firm 11 th Floor, China World Tower A No.1 Jianguo Menwai Avenue Chaoyang District Beijing, People's Republic of China
LEGAL ADVISER TO THE ISSUE MANAGER AS TO SINGAPORE LAW	Rajah & Tann Singapore LLP 9 Straits View, #06-07 Marina One West Tower Singapore 018937
LEGAL ADVISER TO THE ISSUE MANAGER AS TO PRC LAW	Hai Run Law Firm 5/9/10/13/17F, Broadcasting Tower No.14A, Jianwai Avenue Chaoyang District Beijing, People's Republic of China
INDEPENDENT AUDITOR	KPMG 8th Floor, Prince's Building 10 Chater Road Central, Hong Kong Engagement partner: Chu Man Wai (Practising certificate holder registered under the Accounting and Financial Reporting Council)
BERMUDA PRINCIPAL SHARE REGISTRAR	Conyers Corporate Services (Bermuda) Limited Clarendon House, 2 Church Street Hamilton HM11 Bermuda
HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE	Tricor Investor Services Limited 17 th Floor, Far East Finance Centre No. 16 Harcourt Road Hong Kong
SINGAPORE SHARE TRANSFER AGENT	In.Corp Corporate Services Pte. Ltd. 36 Robinson Road #20-01 City House Singapore 068877

PRINCIPAL BANKERS OF OUR GROUP

Bank of China Co., Ltd.
No. 1 Fuxingmen Nei Dajie
Beijing, People's Republic of China

China Construction Bank Co., Ltd.
No. 25 Finance Street
Beijing, People's Republic of China

China Resources Financial Leasing Co., Ltd.
12th Floor, China Resources Financial Building
No. 2700 Keyuan South Road
Nanshan District
Shenzhen, People's Republic of China

DBS Bank Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Huaneng Tiancheng Financial Leasing Co., Ltd.
Raffles Office Building
Dongcheng District
Beijing, People's Republic of China

Industrial and Commercial Bank of China Co., Ltd.
No. 55 Fuxingmen Nei Street
Xicheng District
Beijing, People's Republic of China

Industrial Bank Financial Leasing Co., Ltd.
20th and 21st Floors, Industrial Bank Building
No. 20 Chaoyangmen North Street
Chaoyang District
Beijing, People's Republic of China

The Bank of East Asia, Limited
10 Des Voeux Road Central
Hong Kong

DEFINED TERMS AND ABBREVIATIONS

The following definitions of certain terms and abbreviations when used in this Introductory Document shall bear the same meanings as set forth below unless otherwise defined herein or the context otherwise requires:

Our Group

<i>Beijing Juyang</i>	:	Beijing Juyang Juhe Solar Power Technology Development Co., Ltd.
<i>CCWPI</i>	:	Century Concord Wind Power Investment Co., Ltd. (协合风电投资有限公司)
<i>Century Concord O&M</i>	:	Beijing Century Concord Operations and Maintenance Co., Ltd. (北京协合运维风电技术有限公司)
<i>Company</i>	:	Concord New Energy Group Limited (协合新能源集团有限公司)
<i>CWPI</i>	:	China Wind Power Investment Limited
<i>Fuxin Xingda</i>	:	Fuxin Mongolian Autonomous County Xingda Wind Power Generation Co., Ltd. (阜新蒙古族自治县兴达风力发电有限公司)
<i>Haotai New Energy</i>	:	Haotai New Energy Equipment Ltd. (浩泰新能源装备有限公司)
<i>Jilin Century Concord</i>	:	Jilin Century Concord Wind Power Investment Co., Ltd. (吉林协合风力发电投资有限公司)
<i>Jingmen Lixi</i>	:	Jingmen Lixi Wind Power Co., Ltd. (荆门栗溪风力发电有限公司)
<i>Kaiyuan Julong</i>	:	Kaiyuan Julong New Energy Development Co., Ltd. (开远聚隆新能源开发有限公司)
<i>Mengdong Century</i>	:	Mengdong Century Concord New Energy Co., Ltd. (蒙东协合新能源有限公司)
<i>Shizong Juhe</i>	:	Shizong Juhe Wind Power Co., Ltd. (师宗聚合风力发电有限公司)
<i>Suzhou Deren</i>	:	Suzhou Deren Wind Power Co., Ltd. (宿州德仁风力发电有限公司)
<i>Tonghe Juting</i>	:	Tonghe County Juting New Energy Co., Ltd. (通河县聚霆新能源有限公司)
<i>Tongyu Century Concord</i>	:	Jilin Tongyu Century Concord Xinfu Wind Power Co., Ltd. (吉林通榆协合新发风力发电有限公司)

Wuhe Juhe	:	Wuhe Juhe Wind Power Co., Ltd. (五河聚合风力发电有限公司)
Yongzhou Jiepai	:	Yongzhou Jiepai Century Concord Wind Power Co., Ltd. (永州界牌协合风力发电有限公司)
Yongzhou Qiaotoupu	:	Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd. (永州桥头铺协合风力发电有限公司)
<u>General</u>		
2008 Regime	:	The Mainland Judgments (Reciprocal Enforcement) Ordinance (Cap. 597 of the Laws of Hong Kong), which came into effect on 1 August 2008, as amended, supplemented or otherwise modified from time to time
2015 Share Award Scheme	:	The share award scheme of our Company, adopted on 15 June 2015 (and as amended on 29 June 2017) which is valid for ten (10) years
2024 Regime	:	The Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645 of the Laws of Hong Kong) and relevant rules (Cap. 645A of the Laws of Hong Kong), which came into effect on 29 January 2024, as amended, supplemented or otherwise modified from time to time
6M2025	:	Six (6)-month period ended 30 June 2025
ACWA Power	:	ACWA Power (Shanghai) Renewable Energy Co., Ltd. (沙电（上海）新能源有限公司)
APAC	:	Asia-Pacific
Audited Consolidated Financial Statements	:	The audited consolidated financial statements of our Company and its subsidiaries as at and for each of the financial years ended 31 December 2022, 2023 and 2024
Audit Committee	:	The audit committee of our Board
Bermuda Companies Act	:	The Companies Act 1981 (as revised) of Bermuda, as amended, supplemented or otherwise modified from time to time
Board or Board of Directors	:	The Board of Directors of our Company as at the date of this Introductory Document, unless otherwise stated
Bye-Laws	:	The amended and restated bye-laws of our Company, as amended or modified from time to time
CAGR	:	Compound annual growth rate
CCASS	:	The Central Clearing and Settlement System established and operated by HKSCC

CCASS Clearing Participant	:	A person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
CCASS Custodian Participant	:	A person admitted to participate in CCASS as a custodian participant
CCASS Investor Participant	:	A person admitted to participate in CCASS as an investor participant, who may be an individual, joint individuals or a corporation
CCASS Participant	:	A CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
CCASS Rules	:	The General Rules of CCASS and CCASS Operational Procedures, as amended from time to time
CDP	:	The Central Depository (Pte) Limited
CDP Depositors	:	Depositors holding Shares under direct accounts with CDP or securities sub-accounts with a Depository Agent
Century Concord O&M Group	:	Century Concord O&M and its subsidiaries
CEO	:	Chief Executive Officer
CFO	:	Chief Financial Officer
CIT Act	:	The Corporate Income Tax Act 2023 of Bermuda, which became effective on 1 January 2025, as amended, supplemented or otherwise modified from time to time
Code Provisions	:	The code provisions as set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Hong Kong Listing Rules
Comptroller	:	The Comptroller of Income Tax of Singapore
Copyright Law	:	The Copyright Law of the PRC (《中华人民共和国著作权法》), which was promulgated by the SCNPC on 1 June 1991, and most recently amended in 11 November 2020 and became effective on 1 June 2021, as amended, supplemented or otherwise modified from time to time
Counter-Guarantee	:	The counter-guarantee provided by Century Concord O&M to CCWPI, in return for the Financial Guarantees provided by CCWPI
CSRC	:	The China Securities Regulatory Commission
Directors	:	The directors of our Company as at the date of this Introductory Document, unless otherwise stated
Disposal	:	The agreement entered into by the Group to dispose of a 28.75% equity stake in its subsidiary, Century Concord O&M, in which the Group held 72% interest at the relevant time) to Xizang Dingyu, controlled by the

		directors and CEO of Century Concord O&M, at a consideration of RMB93.52 million
Disposal Subsidiaries	:	Yilan County Concord Wind Power Generation Co., Ltd, Dachaidan Concord Wind Power Generation Co. Ltd and Tonghe Juting
Dividend Policy	:	The dividend policy of our Company, as may be amended, supplemented or otherwise modified from time to time
Double Taxation Avoidance Arrangement	:	The Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《内地和香港特别行政区关于对所得避免双重征税和防止偷漏税的安排》), as amended, supplemented or otherwise modified from time to time
ECO	:	The Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
EFMA	:	The Employment of Foreign Manpower Act 1990 of Singapore, as amended, supplemented or otherwise modified from time to time
EFMA(R)	:	The Employment of Foreign Manpower (Work Passes) Regulations 2012 of Singapore, as amended, supplemented or otherwise modified from time to time
EIT	:	Enterprise Income Tax
EIT Implementation Regulations	:	The Regulations for the Implementation of the Enterprise Income Tax Law (《中华人民共和国企业所得税法实施条例》), promulgated on 6 December 2007 and came into effect on 1 January 2008 and was most recently amended on 6 December 2024, which became effective on 20 January 2025, as amended, supplemented or otherwise modified from time to time
EIT Law	:	The Enterprise Income Tax Law of the PRC (《中华人民共和国企业所得税法》), promulgated on 16 March 2007 and came into effect on 1 January 2008 and was most recently amended on 29 December 2018 which became effective on the same date, as amended, supplemented or otherwise modified from time to time
Electric Power Law	:	the Electric Power Law of the PRC (《中华人民共和国电力法》), promulgated by the National People's Congress on 28 December 1995, which became effective on 1 April 1996, as amended, supplemented or otherwise modified from time to time
Employment Act	:	The Employment Act 1968 of Singapore, as amended, supplemented or otherwise modified from time to time

<i>Environmental Protection Law</i>	:	The Environmental Protection Law of the PRC (《中华人民共和国环境保护法》), as amended, supplemented or otherwise modified from time to time
<i>EO</i>	:	The Employment Ordinance (Cap. 57 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
<i>ESG</i>	:	Environmental, social, and corporate governance
<i>ESG Committee</i>	:	The ESG committee of our Board
<i>Executive Directors</i>	:	The executive directors of our Company as at the date of this Introductory Document, which are named in the section entitled “ <i>Management and Corporate Governance – Directors and Executive Officers – Directors</i> ”, unless otherwise stated
<i>Executive Officers</i>	:	The senior management of our Company as at the date of this Introductory Document, which are named in the section entitled “ <i>Management and Corporate Governance – Directors and Executive Officers – Executive Officers</i> ”, unless otherwise stated
<i>FIE</i>	:	Foreign Investment Enterprises
<i>Financial Assistance</i>	:	The financial assistance provided by the Group to Century Concord O&M and the Target Subsidiaries
<i>Financial Guarantees</i>	:	The guarantees provided by CCWPI (a subsidiary of our Company) in relation to the loan agreements and the Third Party Service Agreement
<i>FJR Ordinance</i>	:	The Foreign Judgments (Reciprocal Enforcement) Ordinance (Cap. 319 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
<i>Foreign Exchange Regulations</i>	:	The Regulations on the Administrative Regulations on Foreign Exchange of the PRC (《中华人民共和国外汇管理条例》) promulgated on 29 January 1996 and most recently amended on 5 August 2008, as amended, supplemented or otherwise modified from time to time
<i>Foreign Investment Law</i>	:	The Foreign Investment Law of the PRC (《中华人民共和国外商投资法》), promulgated by the National People’s Congress in March 2019, which became effective on 1 January 2020, as amended, supplemented or otherwise modified from time to time
<i>FTC</i>	:	Foreign tax credit
<i>FVTPL</i>	:	Fair value of financial assets at fair value through profit and loss
<i>FY</i>	:	Financial year ended 31 December

<i>FY2022</i>	:	Financial year ended 31 December 2022
<i>FY2023</i>	:	Financial year ended 31 December 2023
<i>FY2024</i>	:	Financial year ended 31 December 2024
<i>GDP</i>	:	Gross domestic product
<i>GST</i>	:	Goods and services tax
<i>Guidance Catalogue</i>	:	The Guidance Catalogue on Renewable Energy Industrial Development (《可再生能源产业发展指导目录》) effective on 29 November 2005
<i>HKFRS</i>	:	HKFRS Accounting Standards
<i>HKICPA</i>	:	The Hong Kong Institute of Certified Public Accounts
<i>HKSA</i>	:	Hong Kong Standards on Auditing
<i>HKSCC</i>	:	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited
<i>HKSCC Nominees</i>	:	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
<i>HKSE</i>	:	The Stock Exchange of Hong Kong Limited
<i>Hong Kong or the Hong Kong Special Administrative Region</i>	:	The Hong Kong Special Administrative Region of the PRC
<i>Hong Kong Branch Share Registrar</i>	:	Tricor Investor Services Limited
<i>Hong Kong Share Register</i>		A branch register of members in Hong Kong which is maintained by the Hong Kong Branch Share Registrar
<i>Hong Kong Listing Rules</i>	:	The Rules Governing the Listing of Securities on the HKSE, as amended or supplemented from time to time
<i>Huadian New Energy (华电新能源)</i>	:	Huadian New Energy Group Corporation Limited (华电新能源集团股份有限公司)
<i>IFRS</i>	:	IFRS Accounting Standards
<i>Immigration Act</i>	:	The Immigration Act 1959 of Singapore, as amended, supplemented or otherwise modified from time to time
<i>Introduction</i>	:	The secondary listing by way of an introduction of our Shares on the Main Board of the SGX-ST
<i>Introductory Document</i>	:	This Introductory Document dated 26 December 2025 issued by our Company in respect of the Introduction
<i>Investee Company</i>	:	The company whose shares are being disposed, which the divesting company must have legally and beneficially held at least 20.0% of the ordinary shares of in order to

qualify for the tax exemption under section 13W of the SITA up to 31 December 2027

<i>IRO</i>	:	The Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
<i>ISA</i>	:	International Standards on Auditing
<i>ISO</i>	:	International Organisation for Standardisation
<i>Issue Manager</i>	:	CGS International Securities Singapore Pte. Ltd., as the issue manager to this Introduction
<i>IT</i>	:	Information technology
<i>KPMG or Independent Auditor</i>	:	KPMG
<i>Land Administration Law</i>	:	The Land Administration Law of the PRC (《中华人民共和国土地管理法》), promulgated by the National People's Congress on 25 June 1986, which became effective on 1 January 1987, as amended, supplemented or otherwise modified from time to time
<i>Land Administration Regulation</i>	:	The Regulation on the Implementation of the Land Administration Law of the PRC (《中华人民共和国土地管理法实施条例》), as amended, supplemented or otherwise modified from time to time
<i>Latest Practicable Date</i>	:	17 December 2025, being the latest practicable date prior to the submission of this Introductory Document
<i>Listing Date</i>	:	The date on which trading of our Shares on the SGX-ST commences
<i>Listing Manual</i>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>Listing Rules</i>	:	The listing rules of the SGX-ST, as amended, modified or supplemented from time to time
<i>Loan Agreements</i>	:	The loan agreements entered into by Century Concord O&M for which the Financial Guarantees were provided by CCWPI
<i>LPR</i>	:	Loan prime rate
<i>M&A Rules</i>	:	The Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (《关于外国投资者并购境内企业的规定》), promulgated by the MOFCOM and other governmental authorities on 8 August 2006, effective on 8 September 2006 and subsequently amended on 22 June 2009
<i>Market Day</i>	:	A day on which the SGX-ST and the HKSE are open for trading in securities
<i>MAS</i>	:	Monetary Authority of Singapore

Memorandum of Association	:	The memorandum of association of our Company, as amended or modified from time to time
MIIT	:	The Ministry of Industry and Information Technology of the PRC (中华人民共和国工业和信息化部), and its predecessor known as the Ministry of Information Industry of the PRC (中华人民共和国信息产业部)
Model Code	:	The Model Code for Securities Transactions by Directors of Listed Issuers under the Hong Kong Listing Rules
MOF	:	The Ministry of Finance of the PRC (中华人民共和国财政部)
MOFCOM	:	The Ministry of Commerce of the PRC (中华人民共和国商务部), or its predecessor, the Ministry of Foreign Trade and Economic Cooperation of the PRC (中华人民共和国对外贸易经济合作部)
MOM	:	The Ministry of Manpower of Singapore
NDRC	:	The National Development and Reform Commission of the PRC (中华人民共和国国家发展和改革委员会)
NEA	:	The National Energy Administration of the PRC (中华人民共和国国家能源局)
Negative List	:	The foreign investment negative list
New Projects	:	The centralised PV power plants or onshore wind power projects that are filed or approved from 2021 onwards
Nomination Committee	:	The nomination committee of our Board
PBOC	:	The People's Bank of China
PBOC Notice No. 9	:	The Notice of the People's Bank of China on Matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing (《中国人民银行关于全口径跨境融资宏观审慎管理有关事宜的通知》)
Period Under Review	:	FY2022, FY2023, FY2024 and 6M2025
Permit Provisions	:	The Provisions on the Administration of the Electric Power Business Permit (《电力业务许可证管理规定》), as amended, supplemented or otherwise modified from time to time
PRC or China	:	The People's Republic of China, excluding, for the purposes of this Introductory Document only, Taiwan and the special administrative regions of Hong Kong and Macau, except where the context otherwise requires
PRC Citizens	:	PRC companies or individuals

PRC Civil Procedures Law	:	The PRC Civil Procedures Law (《中华人民共和国民事诉讼法》), promulgated by the National People's Congress and became effective on 9 April 1991, as amended, supplemented or otherwise modified from time to time
PRC Company Law	:	The Company Law of the PRC (《中华人民共和国公司法》), which was promulgated by the SCNPC on 29 December 1993, and most recently amended on 29 December 2023 and became effective on 1 July 2024
PRC Legal Adviser to the Company	:	Beijing Jincheng Tongda & Neal Law Firm, being the legal adviser to our Company as to PRC law
PRC Legal Adviser to the Issue Manager	:	Hai Run Law Firm, being the legal adviser to the Issue Manager as to PRC law
PRC Overseas Listing Regulations	:	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境内企业境外发行证券和上市管理试行办法》)
PRC Principal Subsidiaries	:	Subsidiary companies or entities in the PRC which (i) contribute to more than 10% of the Group's revenue, net profits, total assets and/or net assets in any of the financial periods during the Period Under Review; and / or (ii) which, in the opinion of the Directors, are pivotal and critical to the Group's objective and strategic focus of globalising its business and building an international brand image in FY2024, and are disclosed in the Company's annual report for FY2024 as principal subsidiaries, namely: (i) Century Concord Wind Power Investment Co., Ltd. (协合风电投资有限公司); (ii) Fuxin Mongolian Autonomous County Xingda Wind Power Co., Ltd. (阜新蒙古族自治县兴达风力发电有限公司); (iii) Haotai New Energy Equipment Ltd. (浩泰新能源装备有限公司); (iv) Jilin Century Concord Wind Power Investment Co., Ltd. (吉林协合风力发电投资有限公司); (v) Jilin Tongyu Century Concord Xinfu Wind Power Co., Ltd. (吉林通榆协合新发风力发电有限公司); (vi) Jingmen Lixi Wind Power Co., Ltd. (荆门栗溪风力发电有限公司); (vii) Kaiyuan Julong New Energy Development Co., Ltd. (开远聚隆新能源开发有限公司); (viii) Shizong Juhe Wind Power Co., Ltd. (师宗聚合风力发电有限公司); (ix) Suzhou Deren Wind Power Co., Ltd. (宿州德仁风力发电有限公司); (x) Wuhe Juhe Wind Power Co., Ltd. (五河聚合风力发电有限公司); (xi) Yongzhou Jiepai Century Concord Wind Power Co., Ltd. (永州界牌协合风力发电有限公司); and

- (xii) Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd. (永州桥头铺协合风力发电有限公司),
(and each, a "**PRC Principal Subsidiary**")

Principal Subsidiaries

: Subsidiary companies or entities which (i) contribute to more than 10% of the Group's revenue, net profits, total assets and/or net assets in any of the financial periods during the Period Under Review; and / or (ii) which, in the opinion of the Directors, are pivotal and critical to the Group's objective and strategic focus of globalising its business and building an international brand image in FY2024, and are disclosed in the Company's annual report for FY2024 as principal subsidiaries, namely:

- (i) Century Concord Wind Power Investment Co., Ltd. (协合风电投资有限公司);
- (ii) Fuxin Mongolian Autonomous County Xingda Wind Power Co., Ltd. (阜新蒙古族自治县兴达风力发电有限公司);
- (iii) Haotai New Energy Equipment Ltd. (浩泰新能源装备有限公司);
- (iv) Jilin Century Concord Wind Power Investment Co., Ltd. (吉林协合风力发电投资有限公司);
- (v) Jilin Tongyu Century Concord Xinfu Wind Power Co., Ltd. (吉林通榆协合新发风力发电有限公司);
- (vi) Jingmen Lixi Wind Power Co., Ltd. (荆门栗溪风力发电有限公司);
- (vii) Kaiyuan Julong New Energy Development Co., Ltd. (开远聚隆新能源开发有限公司);
- (viii) Shizong Juhe Wind Power Co., Ltd. (师宗聚合风力发电有限公司);
- (ix) Suzhou Deren Wind Power Co., Ltd. (宿州德仁风力发电有限公司);
- (x) Wuhe Juhe Wind Power Co., Ltd. (五河聚合风力发电有限公司);
- (xi) Yongzhou Jiepai Century Concord Wind Power Co., Ltd. (永州界牌协合风力发电有限公司);
- (xii) Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd. (永州桥头铺协合风力发电有限公司); and
- (xiii) CNE Investment Pte. Ltd.,
(and each, a "**Principal Subsidiary**")

Production Safety Law

: The Production Safety Law of the PRC (《中华人民共和国安全生产法》), promulgated by the National People's Congress on 29 June 2002, which became effective on 1 November 2002, as amended, supplemented or otherwise modified from time to time

Real Property Ownership Certificate

: Real property ownership certificate (不动产权证书) issued in the PRC

REFJA

: The Reciprocal Enforcement of Foreign Judgments Act 1959 of Singapore, as amended from time to time

Removed Shares	:	The Shares to be removed from the Hong Kong Share Register
Remuneration Committee	:	The remuneration committee of our Board
Renewable Energy Law	:	The Renewable Energy Law of the PRC (《中华人民共和国可再生能源法》), promulgated by the National People's Congress on 28 February 2005, which became effective on 1 January 2006, as amended, supplemented or otherwise modified from time to time
Renewable Energy Development Fund	:	The fund established by the PRC national government under the Renewable Energy Law to subsidise and support the development of renewable energy in the PRC
Renewable Energy Subsidy Catalogue	:	The catalogues published by the MOF, NDRC and NEA that include renewable energy projects eligible for subsidies drawn from the Renewable Energy Development Fund under the Provisional Measures for Administration of Additional Funds for Renewable Energy Power Prices (《可再生能源电价附加补助资金管理暂行办法》)
Renewable Energy Subsidy List	:	The lists published by the grid companies that include renewable energy projects eligible for subsidies drawn from the Renewable Energy Development Fund under the Measures for Administration of Additional Funds for Renewable Energy Power Prices (《可再生能源电价附加资金管理办法》)
SAFE	:	State Administration of Foreign Exchange of the PRC (中华人民共和国国家外汇管理局)
SAFE Circular 13	:	The Circular on Further Simplifying and Improving the Foreign Currency Management Policy on Direct Investment (《关于进一步简化和改进直接投资外汇管理政策的通知》), as amended, supplemented or otherwise modified from time to time
SAFE Circular 16	:	The Circular on Reforming and Regulating Policies on the Administration over Foreign Exchange Settlement of Capital Accounts (《关于改革和规范资本项目结汇管理政策的通知》), which was promulgated by the SAFE and became effective on 9 June 2016, as amended, supplemented or otherwise modified from time to time
SAFE Circular 19	:	The Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《关于改革外商投资企业外汇资本金结汇管理方式的通知》), as amended, supplemented or otherwise modified from time to time
SAFE Circular 28	:	The Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《国家外汇管理局关于进一步促

		进跨境贸易投资便利化的通知》), as amended, supplemented or otherwise modified from time to time
SAFE Circular 37	:	The Circular on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles (《关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》), as amended, supplemented or otherwise modified from time to time
SAFE Circular 59	:	The Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Direct Investment Foreign Exchange Administration Policies (《关于进一步改进和调整直接投资外汇管理政策的通知》), as amended, supplemented or otherwise modified from time to time
SAFE Circular 75	:	The Circular Regarding Issues on Foreign Exchange Administrative Measures on Financing and Round-trip Investment by PRC Residents through Offshore Special Purpose Vehicles (《关于境内居民通过境外特殊目的公司融资及返程投资外汇管理有关问题的通知》), as amended, supplemented or otherwise modified from time to time
SAMR	:	PRC State Administration for Market Regulation (中华人民共和国国家市场监督管理总局), formerly known as the State Administration for Industry and Commerce of the PRC (中华人民共和国国家工商行政管理总局)
SCNPC	:	The Standing Committee of the National People's Congress of the PRC (全国人民代表大会常务委员会)
Securities Account	:	Securities account maintained by a Depositor with CDP
Securities and Futures Ordinance or SFO	:	The Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
SERC	:	State Electricity Regulatory Commission
Service Agreements	:	The service agreements entered into between the subsidiaries of our Company holding wind and solar power plants and the Target Subsidiaries
Services	:	During the period from 1 December 2022 to 20 October 2023, each of the Group Power Companies of the one part as the clients for the service and each of the relevant Target Subsidiaries of the other part as the providers of the services entered into the Service Agreements for the provision of certain operation and maintenance services and technical services to the Group Power Companies
SFA	:	Securities and Futures Act 2001 of Singapore, as amended from time to time

SFC	:	The Securities and Futures Commission of Hong Kong
SFR	:	Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended from time to time
SFRS(I)	:	Singapore Financial Reporting Standards (International)
SGXNET	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of information and announcements by listed companies
SGX-ST	:	Singapore Exchange Securities Trading Limited
Shareholders	:	Registered holders of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
Shares	:	Ordinary shares in the share capital of our Company
Singapore Branch Share Register	:	A branch register of members in Singapore registered by our Company which is maintained by the Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd.
Singapore Companies Act	:	The Companies Act 1967 of Singapore, as amended, supplemented or otherwise modified from time to time
SITA	:	The Income Tax Act 1947 of Singapore, as amended, supplemented or otherwise modified from time to time
Social Insurance Law	:	The Social Insurance Law of the PRC (《中华人民共和国社会保险法》), which was implemented on 1 July 2011 and amended on 29 December 2018, as amended, supplemented or otherwise modified from time to time
specified foreign income	:	A Singapore tax resident corporate taxpayer's foreign-sourced dividends, foreign branch profits and foreign-sourced service income to which tax exemption will be granted
STA	:	State Taxation Administration of the PRC (中华人民共和国国家税务总局)
STA Circular 7	:	The Circular on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises (《关于非居民企业间接转让财产企业所得税若干问题的公告》), as amended, supplemented or otherwise modified from time to time
STA Circular 37	:	The Circular on Issues of Tax Withholding regarding Non-PRC Resident Enterprise Income Tax (《关于非居民企业所得税源泉扣缴有关问题的公告》), as amended, supplemented or otherwise modified from time to time

State Council	:	The State Council of the PRC (中华人民共和国中央人民政府)
State Grid	:	State Grid Corporation of China (国家电网有限公司)
Target Subsidiaries	:	The subsidiaries of Century Concord O&M
TDO	:	The Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Third Party Power Company	:	The third party power company which Century Concord O&M entered into the Third Party Service Agreement to provide the Services to
Third Party Service Agreement	:	The third party service agreement entered into by Century Concord O&M for which the Financial Guarantees were provided by CCWPI
TMO	:	Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Total Investment and Registered Capital Balance	:	The balance of the foreign debts of a foreign-invested enterprise shall not exceed the difference between the total investment approved by relevant authorities and the registered capital of the foreign-invested enterprise
Unaudited Interim Condensed Consolidated Financial Statements	:	Unaudited interim condensed consolidated financial statements of our Company and its subsidiaries as at and for the six (6) months ended 30 June 2025
United States or US or USA	:	United States of America
Urban and Rural Planning Law	:	Urban and Rural Planning Law of the PRC (《中华人民共和国城乡规划法》), promulgated by the National People's Congress on 28 October 2007, which became effective on 1 January 2008, as amended, supplemented or otherwise modified from time to time
VAT	:	Value added tax
WICA	:	The Work Injury Compensation Act 2019 of Singapore, as amended, supplemented or otherwise modified from time to time
Xinyuan Juneng	:	Xinyuan Juneng (Wuhan) Technology Co., Ltd. (新源聚能(武汉)科技有限公司)
Xizang Dingyu	:	Xizang Dingyu Century Concord New Energy Development Co., Ltd. (西藏鼎玉协合能源开发有限公司)
YA	:	Year of Assessment
YA2024	:	Year of Assessment 2024
YA2025	:	Year of Assessment 2025

Currencies, Units and Others

% or <i>per cent.</i>	:	Per centum, or percentage
<i>Bp</i>	:	Basis points
<i>HK\$ or Hong Kong dollar or HK cents</i>	:	The lawful currency of Hong Kong
<i>mu</i>	:	Chinese unit of land area, which is equivalent to approximately 666.67 sq m
<i>RMB or Renminbi</i>	:	The lawful currency of the PRC
<i>S\$ or Singapore dollars</i>	:	The lawful currency of the Republic of Singapore
<i>US\$ or U.S. dollars</i>	:	United States dollars, the lawful currency of the United States of America
<i>sq m or m²</i>	:	Square metres

In this Introductory Document, references to our "**Company**" are to Concord New Energy Group Limited and unless the context otherwise requires, the terms "**we**", "**us**", "**our**" and "**our Group**" refer to Concord New Energy Group Limited and its subsidiaries taken as a whole. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms "**associated company**", "**related corporation**" and "**subsidiary**" shall have the same meanings ascribed to them respectively in the SFA, the SFR, the Singapore Companies Act and/or the Listing Manual, as the case may be.

The term "**substantial shareholder**" shall mean a person who has an interest in one (1) or more voting Shares and the total votes attached to those Shares is not less than 5.0% of the total votes attached to all Shares.

Any references in this Introductory Document to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Bermuda Companies Act, the Singapore Companies Act, the SFA, the SFR, the Listing Manual or any statutory modification thereof and used in this Introductory Document shall have the meaning assigned to it under the Bermuda Companies Act, the Singapore Companies Act, the SFA, the SFR, the Listing Manual or such statutory modification, as the case may be.

Any reference to a time and date in this Introductory Document shall be a reference to Singapore time and date unless otherwise stated.

Unless we specify otherwise or the context otherwise requires, all references to the "**Shares**" refer to ordinary shares in the share capital of our Company.

Certain numerical figures set out in this Introductory Document, including financial data presented in billions, millions or thousands, and percentages, have been subject to rounding adjustments and, as a result, the totals of the data in this Introductory Document may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in the section entitled "*Management's Discussion and Analysis of*

Financial Condition and Results of Operations" of this Introductory Document are approximate figures and have been calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in this Introductory Document, as applicable, and not using the numerical data in the narrative description thereof.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded off.

The information on our websites or any website directly or indirectly linked to such websites or the websites of any of our related corporations or other entities in which we may have an interest is not incorporated by reference into this Introductory Document and should not be relied on.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of our business, the following glossary provides a description of certain technical terms and abbreviations related to our business, as used in this Introductory Document. The terms and their assigned meanings set out below may not correspond to standard industry or common meanings or usage of these terms, and should not be treated as being definitive of their meanings.

<i>attributable installed capacity</i>	:	The aggregate installed capacity of our power plants in which we have an interest in proportion to the level of our ownership in each of those power plants. It is calculated by multiplying the ownership percentage held by our Company in the power plant in which we have an interest, by its total installed capacity
<i>BOO</i>	:	The investment in and operation of wind and solar power plants through our subsidiaries, joint ventures and associates under the "Build, Own and Operate" business model
<i>BT</i>	:	The wind and solar power plants developments and transfer under the "Build and Transfer" business model
<i>EPC</i>	:	Engineering, procurement and construction
<i>FIT</i>	:	Feed-in tariff
<i>Green certificate</i>	:	The renewable energy green power certificate
<i>GW</i>	:	Gigawatt
<i>GWh</i>	:	Gigawatt-hour
<i>installed capacity</i>	:	The aggregate amount of energy that a plant or panel will generate
<i>IoT</i>	:	Internet of things
<i>kW</i>	:	Kilowatt
<i>kWh</i>	:	Kilowatt-hour
<i>LCOE</i>	:	Levelised Cost of Electricity
<i>MW</i>	:	Megawatt
<i>offshore SPV</i>	:	The offshore enterprise directly established or indirectly controlled by domestic residents for the purpose of investment and financing by utilising the domestic or offshore assets or interests they legally hold
<i>On-grid tariffs</i>	:	The total price for wind and solar generated electricity stipulated by the relevant PRC government authorities as part of the PRC government's price support regime for renewable energy, which comprise (i) the benchmark electricity price to be paid by the relevant electricity off-taker and (ii) the renewable energy subsidy to be provided by the relevant PRC government authorities

<i>Power Generation Business</i>	:	The investment in and development and operation of wind and solar power plants
<i>PPAs</i>	:	The power purchase agreements made between the Company and the State Grid companies
<i>PV</i>	:	Photovoltaic
<i>UHV</i>	:	Ultra high-voltage
<i>utilisation hours</i>	:	The generation output in a specified period (in kWh) divided by average installed capacity in such period (in kW)

SUMMARY

This summary highlights information contained in other parts of this Introductory Document. As this is only a summary, it does not contain all of the information that you should consider before investing in our Shares, and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this Introductory Document. Unless the context requires otherwise, references in this Introductory Document to "our Group", "we", "us" and "our" refer to Concord New Energy Group Limited and our subsidiaries taken as a whole. You should read this entire Introductory Document, including, among others, our consolidated financial statements together with the related notes and the section entitled "Risk Factors" of this Introductory Document, before making a decision to invest in our Shares.

OUR COMPANY

We are one of the first HKSE-listed renewable energy companies specialising in the investment, development and operation of wind and solar power projects as well as the provision of comprehensive renewable energy related services.

We operate and invest in wind and solar power plants primarily through our subsidiaries, joint ventures and associates under the BOO or BT business models. Our power generation segment contributed over 91.4% and 95.4% of our total revenue in FY2024 and 6M2025 respectively. In the meantime, the rest of our revenue is derived from our comprehensive value chain of renewable energy related services, such as the provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects under (our engineering, procurement and construction business).

COMPETITIVE STRENGTHS

We believe that our Group benefits from a number of competitive strengths underpinned by our track record and experience and that our success and ability to capitalise on future growth opportunities are attributable to our following strengths:

- One of the frontrunners in the clean energy industry that adjusts to evolving policies in a timely manner;
- Premium quality assets, achieving operational efficiency and profitability;
- Project development achieving new successes globally;
- A renewable energy company;
- Prudent financial management policy based on diversified and stable financing channels; and
- Strong and experienced management team with deep industry knowledge.

Please see the section entitled "*Business – Competitive Strengths*" of this Introductory Document for further details.

BUSINESS STRATEGIES AND FUTURE PLANS

In order to become a leading supplier of renewable energy and related services, we intend to pursue the following principal strategies and plans:

- Expanding internationally to diversify revenue streams and capture growth opportunities;
- Continue to adopt dynamic management of our business development and optimise our asset portfolio;
- Enhance our project development capabilities and operational processes; and
- Adhere to prudent financial and cost management to ensure sustainable growth, capital sufficiency and profitability.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information of our Group should be read in conjunction with the full text of this Introductory Document, including the “Independent Auditor’s Report and Audited Consolidated Financial Statements of Concord New Energy Group Limited and its Subsidiaries as at and for each of the Years Ended 31 December 2022, 2023 and 2024” and the “Independent Review Report and the Unaudited Interim Condensed Consolidated Financial Statements of Concord New Energy Group Limited and its Subsidiaries as at and for the Six (6) Months ended 30 June 2025” as set out in Appendix A and Appendix B to this Introductory Document, and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Introductory Document. Our consolidated financial statements are reported in RMB and are prepared and presented in accordance with HKFRS and applicable disclosure provisions of the Hong Kong Listing Rules.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

(RMB'000)	Audited			Unaudited	
	FY2022	FY2023	FY2024	6M2024	6M2025
Continuing operations					
Revenue	2,400,276	2,588,646	2,752,054	1,498,857	1,400,319
Cost of sales and services rendered	(940,583)	(1,183,020)	(1,236,206)	(646,764)	(731,290)
Gross profit	1,459,693	1,405,626	1,515,848	852,093	669,029
Other income	58,609	104,887	183,840	76,577	53,960
Other gains and losses, net	319,545	404,149	31,684	(724)	24,070
Impairment losses under expected credit loss model, net of reversal	1,181	(1,130)	(702)	-	(2,306)
Distribution and selling expenses	(5,096)	(6,141)	(13,849)	(6,051)	(3,668)
Administrative expenses	(342,273)	(404,458)	(343,759)	(162,642)	(160,838)
Finance costs	(544,950)	(644,165)	(683,945)	(340,563)	(315,461)
Share of profit of joint ventures, net	151,115	172,836	166,503	94,466	82,550
Share of profit/(loss) of associates, net	20,004	17,029	11,152	8,205	(825)
Profit before income tax	1,117,828	1,048,633	866,772	521,361	346,511
Income tax credit/(expenses)	(222,445)	(153,825)	8,803	26,097	(54,472)
Profit for the year/period from continuing operations	895,383	894,808	875,575	547,458	292,039
Discontinued Operation					
Profit for the year/period from discontinued operation, net of tax	30,386	93,942	—	—	—
Profit for the year/period	925,769	988,750	875,575	547,458	292,039
Attributable to equity shareholders of the Company					
From continuing operations	852,639	877,502	805,133	501,370	281,940

(RMB'000)	Audited			Unaudited	
	FY2022	FY2023	FY2024	6M2024	6M2025
From discontinued operation	19,178	86,272	—	—	—
	871,817	963,774	805,133	501,370	281,940
Attributable to non-controlling interests of the Company					
From continuing operations	42,744	17,306	70,442	46,088	10,099
From discontinued operation	11,208	7,670	—	—	—
	53,952	24,976	70,442	46,088	10,099
Earnings per share					
Basic earnings per share (RMB cents)	9.90	11.42	10.06	6.24	3.58
Diluted earnings per share (RMB cents)	9.86	11.39	10.05	6.23	3.58
Earnings per share – continuing operations					
Basic earnings per share (RMB cents)	9.68	10.39	10.06	6.24	3.51
Diluted earnings per share (RMB cents)	9.64	10.37	10.05	6.23	3.58

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Profit for the year/period	925,769	988,750	875,575	547,458	292,039
Other comprehensive income:					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations	(16,227)	(3,529)	(22,661)	(6,475)	11,721
Other comprehensive income for the year/period, net of tax	(16,227)	(3,529)	(22,661)	(6,475)	11,721
Total comprehensive income for the year/period	909,542	985,221	852,914	540,983	303,760
Attributable to equity shareholders of the Company:					
From continuing operations	838,898	874,428	783,273	495,141	293,675
From discontinued operation	19,178	86,272	—	—	—
	858,076	960,700	783,273	495,141	293,675
Attributable to non-controlling interests of the Company:					
From continuing operations	40,258	16,851	69,641	45,842	10,085

(RMB'000)	Audited			Unaudited	
	FY2022	FY2023	FY2024	6M2024	6M2025
From discontinued operation	11,208	7,670	—	—	—
	51,466	24,521	69,641	45,842	10,085
Total comprehensive income for the year/period	909,542	985,221	852,914	540,983	303,760

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(RMB'000)	Audited			Unaudited
	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025
ASSETS				
Non-current assets				
Property, plant and equipment	14,876,597	17,759,434	17,247,835	20,422,587
Right-of-use assets	559,208	949,945	1,400,314	1,576,363
Intangible assets	788,224	716,034	659,835	705,623
Interests in associates	776,034	758,251	761,872	752,940
Interest in joint ventures	1,578,123	2,082,481	2,147,270	2,019,489
Financial assets at fair value through profit or loss	13,716	14,746	125,157	125,157
Prepayments, deposits and other receivables	1,666,400	1,621,121	1,392,813	1,487,762
Finance lease receivables	164,993	269,816	177,746	133,065
Loan receivables	45,240	30,833	11,673	2,346
Deferred tax assets	39,486	47,268	61,266	86,158
	20,508,021	24,249,929	23,985,781	27,311,490
Current assets				
Inventories	59,196	46,295	19,217	22,264
Contract assets	206,728	116,175	78,815	55,870
Trade and bills receivables	1,369,622	1,415,900	1,648,792	1,743,833
Prepayments, deposits and other receivables	615,485	926,884	929,927	1,097,396
Finance lease receivables	32,599	50,293	48,066	44,424
Loan receivables	16,347	17,797	16,175	1,917
Amounts due from associates	85,835	50,771	53,121	1,042
Amounts due from joint ventures	90,563	304,949	287,109	444,144
Financial assets at fair value through profit or loss	138,841	154,451	55,733	83,741
Cash and cash equivalents	3,471,039	2,445,465	1,693,834	1,983,096
Restricted deposits	578,240	1,457,459	535,354	338,597
Assets held for sale	-	-	2,777,915	84,877
	6,664,495	6,986,439	8,144,058	5,901,201
Total assets	27,172,516	31,236,368	32,129,839	33,212,691
LIABILITIES				
Non-current liabilities				
Bank borrowings	1,285,516	2,809,059	4,809,590	6,206,205
Other borrowings	10,321,434	11,856,855	9,296,012	11,515,808

(RMB'000)	Audited			Unaudited
	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025
Lease liabilities	98,748	135,486	418,543	498,133
Deferred tax liabilities	93,522	57,722	20,052	2,772
Deferred government grants	4,865	4,516	4,261	4,081
Payables for construction in progress, other payables and accruals	745,976	1,050,671	730,050	633,227
Financial guarantee contract liabilities	10,602	8,060	4,772	11,019
	12,560,663	15,922,369	15,283,280	18,871,265
Current liabilities				
Trade and bills payable	1,262,570	1,672,288	589,014	468,675
Payables for construction in progress, other payables and accruals	2,736,516	3,084,416	2,552,221	2,579,523
Contract Liabilities	59,325	52,496	25,029	40,628
Amounts due to associates	2,540	70	70	21,541
Amounts due to joint ventures	156	35,574	52,010	39,724
Bank borrowings	979,411	973,253	924,967	1,012,624
Other borrowings	734,782	895,844	1,167,151	1,129,389
Senior notes	618,905	-	-	-
Lease liabilities	13,502	21,821	33,561	61,889
Financial guarantee contract liabilities	7,535	4,823	3,774	2,190
Current income tax liabilities	101,719	138,000	50,640	44,684
Liabilities directly associated with the assets held for sale	-	-	2,541,816	40,530
	6,516,961	6,878,585	7,940,253	5,441,397
Total Liabilities	19,077,624	22,800,954	23,223,533	24,312,642
Net current assets	147,534	107,854	203,805	459,804
Total assets less current liabilities	20,655,555	24,357,783	24,189,586	27,771,294
Net Assets	8,094,892	8,435,414	8,906,306	8,900,049
EQUITY				
Share capital	77,443	72,598	68,390	67,422
Reserves	7,754,304	8,210,438	8,646,560	8,645,150
Total equity attributable to equity shareholders of the Company	7,831,747	8,283,036	8,714,950	8,712,572
Non-controlling interests	263,145	152,378	191,356	187,477
Total Equity	8,094,892	8,435,414	8,906,306	8,900,049

DIVIDEND POLICY

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

The payment of dividend is also subject to any requirements of the Bermuda Companies Act, Memorandum of Association and Bye-Laws, the Hong Kong Listing Rules and following the Introduction, the Listing Manual.

See the section entitled "*Dividend Policy*" of this Introductory Document for further information.

CORPORATE INFORMATION AND CONTACT DETAILS

Our registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, and the addresses of our principal places of business and contact details in Singapore and Hong Kong are as follows:

Singapore

Address:

30 Cecil Street #21-01/02
Prudential Tower
Singapore 049712

Telephone: +65 6022 1830

Facsimile number: N/A

Corporate e-mail address: cs@cnegroup.com

Hong Kong

Address:

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

Telephone: +852 3521 1600

Facsimile number: +852 3521 1598

Corporate e-mail address: cs@cnegroup.com

Investor enquiries should be directed to us at the address and telephone number of our principal place of business in Singapore and Hong Kong set forth above. Our website address is <https://concordnewenergy.com/>. The information contained in our website and any website directly or indirectly linked to such website or the websites of any of our related corporations or other entities in which we may have an interest do not constitute part of and are not incorporated by reference in this Introductory Document and should not be relied on as such.

SUMMARY OF THE INTRODUCTION

Our Company	Concord New Energy Group Limited, an exempted company incorporated in Bermuda with limited liability on 27 June 1997. Our Shares are primary listed on the HKSE under the stock code "182".
Listing on the SGX-ST	An application has been made to the SGX-ST for permission to list all our Shares on the Main Board of the SGX-ST. Such permission will be granted when we have been admitted to the Official List of the SGX-ST.
Trading on the SGX-ST	Our Shares will, upon their listing and quotation on the SGX-ST, be traded on the SGX-ST under the book-entry (scripless) settlement system of CDP. Dealing in and quotation of our Shares will be in Singapore dollars. Our Shares will be traded in board lot size of 100 Shares.
Voting Rights	Shareholders may vote on all matters submitted to a vote of Shareholders, except as may otherwise be required by the SGX Listing Rules and the Hong Kong Listing Rules and the Hong Kong Takeovers Code. See the section entitled "<i>Description of Share Capital</i>" of this Introductory Document. However, the ability of CDP Depositors to vote at Shareholders' meetings will be made available to them pursuant to CDP's terms and conditions to act as depository for foreign securities. See the sections entitled "<i>Description of Share Capital – Summary of Selected Provisions of our Memorandum of Association and Bye-Laws – Voting Rights</i>" and "<i>Clearance and Settlement – Voting Instructions</i>" of this Introductory Document.
Dividends	Our Dividend Policy is intended to be prudent and sustainable, and will be evaluated by the Board from time to time. There is no assurance that dividends will be paid in any particular amount for any particular period. Subject to compliance with applicable rules and regulations, the Board may, at its discretion, determine the declaration of payment of dividend(s) to its shareholders in any amount, frequency in any financial year depending on, among other things, the Company's operation and financial performance, liquidity condition, capital requirements, future funding needs, contractual restrictions, availability of reserves and prevailing economic climate. The payment of dividend is also subject to any requirements of the Bermuda Companies Act and our Memorandum of Association and Bye-Laws, the Hong Kong Listing Rules and following the Introduction, the Listing Manual. See the section entitled "<i>Dividend Policy</i>" and the discussion at Appendix D entitled "<i>Summary of the Memorandum of Association and Selected Bye-Laws of Our Company and Bermuda Corporate Law</i>" of this Introductory Document for a description of our dividend policy. Shareholders whose Shares are held through CDP will receive their dividends through CDP in Singapore dollars. We will make the necessary arrangements to convert the dividends in Hong Kong dollar into Singapore dollar equivalent at the prevailing exchange rate obtained by us on the relevant date for onward distribution to CDP and CDP's onward distribution to entitled Shareholders.
Share Capital	As at the Latest Practicable Date, our registered and authorised share capital is HK\$125,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.01 each and 2,500,000,000 preference shares of par value of HK\$0.01, and our issued and paid-up capital is

HK\$78,776,791.58 comprising 7,877,679,158 Shares. All our 7,877,679,158 issued Shares are currently listed on the HKSE. We have only one (1) class of shares in the issued share capital of our Company, being the Shares.

Market Capitalisation

Our Company has a market capitalisation of HK\$2,442 million (approximately S\$405 million) as at the Latest Practicable Date.

Risk Factors

Prospective investors should carefully consider certain risks connected with an investment in our Shares, as discussed in the section entitled "*Risk Factors*" of this Introductory Document.

OUR LISTING ON THE SGX-ST

Upon admission to the Official List of the SGX-ST, we will be listed on both the SGX-ST and the HKSE, with the HKSE being the primary exchange on which our Shares are traded and the SGX-ST being the secondary exchange. As the HKSE is the primary exchange on which our Shares are traded, we are subject to and are required to comply with the relevant regulations and notifications issued by the HKSE.

An eligibility-to-list letter has been obtained from the SGX-ST for the listing and quotation of all our issued Shares on the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) our Company maintaining our primary listing on the HKSE;
- (c) pre-quotation disclosure of information required by the SGX-ST (which was conveyed to our Company prior to issuance of this Introductory Document);
- (d) our Company's written confirmation that our Company's Memorandum of Association and Bye-Laws (incorporating all amendments to date) have been filed with the HKSE;
- (e) our Company's written undertaking that our Company will comply with the following requirements as set out in Rule 217 of the Listing Manual to:
 - (i) release all information and documents in English to the SGX-ST at the same time as they are released to the HKSE;
 - (ii) inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of the HKSE; and
 - (iii) comply with such other listing rules as may be applied by the SGX-ST from time to time (whether before or after the Introduction);
- (f) our Company's written undertaking that in the event of a need for a trading halt or suspension in our Shares, our Company would request for a trading halt or suspension on all exchanges at the same time;
- (g) our Company's written undertaking that our Company will ensure the appointment of a market maker for a minimum of six (6) months from the date of the Introduction;
- (h) the Issue Manager's written confirmation that adequate disclosures have been made on the major differences between the laws of Bermuda and Singapore on investor protection;
- (i) written confirmations from the Issue Manager and our Company that arrangements satisfactory to the SGX-ST are in place to ensure:
 - (i) orderly trading in the market when trading begins in our Shares in Singapore; and
 - (ii) timely settlement of trades, including but not limited to, procedures for the deposit, withdrawal and registration of our Shares in Singapore;
- (j) the Issue Manager's written confirmation that Rules 246(4) and 246(12) of the Listing Manual have been complied with;
- (k) submission of the documents stipulated in Rules 248, 249 and 250 of the Listing Manual; and
- (l) the release of an SGXNET announcement disclosing the latest price of our Shares (including the equivalent in Singapore dollars) on the HKSE prior to the Introduction.

We have obtained from the SGX-ST a waiver from compliance with the following rules under the Listing Manual:

- (a) Rule 210(5)(a) of the Listing Manual which requires, among others, that a director who has no prior experience as a director of an issuer listed on the SGX-ST must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. The waiver was sought and granted on the basis that (i) our Company has a primary listing on the HKSE and each of our Directors has the necessary experience and expertise to act as a director of a company listed on the HKSE; and (ii) pursuant to Rule 217 of the Listing Manual, a foreign issuer with a secondary listing on the SGX-ST is not required to comply with the Listing Manual (except for such rules as may be applied by the SGX ST from time to time), and accordingly our Company would not have an obligation to comply with Rule 720 (read with Rule 210(5)) of the Listing Manual on an ongoing basis. Notwithstanding the above and in accordance with Rule 246(4)(e) of the Listing Manual, our Directors have been briefed by our Company's Legal Adviser as to Singapore Law on the roles and responsibilities of a director of a public listed company in Singapore pursuant to the Listing Manual and the relevant Singapore laws and regulation
- (b) Rule 210(5)(d)(iv) of the Listing Manual which provides that Ms. Huang Jian will not be independent as an independent non-executive director as she has been appointed to our Board for an aggregate period of more than nine (9) years. The waiver was sought and granted on the basis that: (i) Ms. Huang Jian complies with Rule 210(5)(d)(i) and (ii) of the Listing Manual; (ii) Ms. Huang Jian's re-election as an independent non-executive director of our Company was approved by shareholders at Company's 2023 annual general meeting through a separate stand-alone resolution and in accordance with Hong Kong Listing Rules; and (iii) our Board has conducted an assessment of and evaluated Ms. Huang Jian's continued independence. In addition, Ms. Huang Jian has provided continuity and stability to the Board, and her deep understanding of our Company's operations and industry landscape has been instrumental in guiding its long-term strategy, and the process of identifying and onboarding a director with equivalent expertise and experience requires careful planning and significant time.
- (c) Rules 211A(2) and 211A(3) of the Listing Manual which requires (i) in respect of a secondary listing, the financial statements submitted with the listing application, and future periodic financial reports, need only be reconciled to SFRS(I), or IFRS, or US Generally Accepted Accounting Principles ("**US GAAP**"); and (ii) the annual financial statements must be audited by certified public accountants in accordance with SSA, ISA, US GAAS, or auditing standards of the Public Company Accounting Oversight Board (United States) as the case may be subject to disclosure in this Introductory Document of the bases for the waiver sought and granted, and (1) the Independent Auditor's confirmation that (i) there are no material adjustments required to restate the our Audited Consolidated Financial Statements prepared in HKFRS as such financial statements were prepared in accordance with IFRS for the Period Under Review; and (ii) there are no material differences between HKSA and ISA; and (2) the financial statements of our Company following the Introduction would not be reconciled or restated to SFRS(I), IFRS or US GAAP or audited in accordance with SSA, ISA or US GAAS, as our Company will continue to comply with such requirements in relation to accounting and auditing standards as may be applicable to our Company under the applicable rules and requirements in Hong Kong.

Our Company had sought a waiver from Rules 211A(2) and (3) of the Listing Manual for the following reasons:

- (i) our Company prepares our financial statements in accordance with HKFRS which are audited by our auditors in accordance with HKSA;
- (ii) the Independent Auditor is of the opinion that:
 - (1) no material adjustments are required to restate our Audited Consolidated Financial Statements prepared in HKFRS as if such financial statements were prepared in accordance with IFRS for the Period Under Review; and
 - (2) there are no material differences between HKSA and ISA.

- (iii) KPMG has audited and issued unqualified audit reports in respect of our Company's Audited Consolidated Financial Statements; and
- (iv) our Company will continue to prepare our financial statements in accordance with HKFRS and audited in accordance with HKSA, which are in compliance with such requirements in relation to financial reporting and accounting and auditing standards under the applicable Hong Kong Listing Rules.

See the section entitled "*Notice to Investors – Presentation of Financial and Statistical Information*" of this Introductory Document for further details.

- (d) Rule 221 of the Listing Manual which requires a foreign issuer seeking admission to the Official List of the SGX-ST to have at least two (2) independent directors resident in Singapore (the "**Singapore Resident ID**"). The waiver was sought and granted on the basis that (i) as our Company is primarily listed on the HKEX (which is a developed market), our Company's board composition is required to comply with the requirements under the applicable Hong Kong Listing Rules and as a foreign issuer on the HKSE, our Company is allowed to follow our home country practice in lieu of certain of these requirements. Our Board of Directors currently comprises 12 directors, five (5) of whom are considered independent under the applicable Hong Kong Listing Rules; and (ii) we have appointed a Singapore Resident ID, namely Mr. Chua Pin, in accordance with the applicable Hong Kong Listing Rules and Rule 210(5)(d) of the Listing Manual. Our Company has also provided a written undertaking to the SGX-ST to ensure the appointment of a Singapore Resident ID (who complies with Rule 210(5)(d) of the Listing Manual) is maintained at all times on a continuing basis for so long as our Company is secondarily listed on the SGX-ST.

OBLIGATIONS UNDER THE LISTING MANUAL

As a foreign issuer with a secondary listing on the SGX-ST, pursuant to Rule 217 of the Listing Manual, upon the listing of our Shares on the SGX-ST, we will not be required to comply with the Listing Rules (except for such rules as may be applied by the SGX-ST from time to time), provided that we undertake to:

- (a) release all information and documents in English to the SGX-ST at the same time as they are released to the home exchange;
- (b) inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of the home exchange; and
- (c) comply with such other Listing Rules as may be applied by the SGX-ST from time to time (whether before or after listing).

INTRODUCTORY DOCUMENT DISCLOSURE

Pursuant to Rule 607 of the Listing Manual, this Introductory Document is required to comply with the disclosure requirements in the SFA. We have obtained the following waivers from the SGX-ST from compliance with certain of the Introductory Document disclosure requirements under the Fifth Schedule to the SFR (the "**Fifth Schedule**"): (i) Paragraph 6 of Part 4 (the "**Capitalisation and Indebtedness Provisions**"); (ii) Paragraph 1(d) of Part 5 and Paragraph 8 of Part 6 (collectively, the "**Historical and Committed Capital Expenditure Information**"); (iii) Paragraph 9 of Part 6 (the "**Trade Receivables Information**"); (iv) Paragraph 5(a) of Part 6 (the "**Material Sources of Liquidity**"); (v) Paragraph 1(b) of Part 7 (the "**Principal Directorships Provision**"); (vi) Paragraph 3 of Part 7 (the "**Shareholding Provision**"); (vii) Paragraphs 9(a)(iii), 9(b) and 12 of Part 7 (the "**Remuneration Provisions**"); (viii) Paragraphs 1, 2, 3 and 4 of Part 8 (the "**IPT Provisions**"); (ix) Paragraph 42 of Part 9 (the "**Dividend Requirement**"); (x) Paragraph 8 of Part 11 (the "**Share Capital Disclosures**") for reasons that include the following:

- (a) HKSE is our home exchange and we are subject to a set of disclosure requirements under the applicable Hong Kong laws and regulations including the Hong Kong Listing Rules.

- (b) Disclosing information in this Introductory Document relating to the requirements under the Fifth Schedule may result in a non-parity of information between investors in Hong Kong and Singapore, which may present an unfair ground and unlevel playing field between the two sets of investors. Such additional disclosures may also result in queries from the SFC, HKSE or even litigation.
- (c) In respect of the Capitalisation and Indebtedness Provision, we are unable to provide information on the capitalisation and indebtedness of our Group as of a date no earlier than 60 days prior to the date of issue of this Introductory Document as this information has not yet been prepared or published as of the date of this Introductory Document. Further, pursuant to the relevant Hong Kong Listing Rules, our Group is required to make disclosures of our annual and interim results (including information on our Group's indebtedness, liquidity, financial resources and capital structure) in our annual and interim reports. With respect to our Group's interim results for 6M2025 (including information on our Group's indebtedness, liquidity, financial resources and capital structure as at 30 June 2025), our Company is required under the Hong Kong Listing Rules to publish an announcement of these annual results no later than 31 August 2025 and the interim report for 6M2025 no later than 30 September 2025.
- (d) In respect of the Historical and Committed Capital Expenditure Information, it would be challenging for us to provide the disclosures required under paragraph 1(d) of Part 5 of the Fifth Schedule and paragraph 8 of Part 6 of the Fifth Schedule as of the Latest Practicable Date, given the size of our Group's operations which span multiple countries worldwide through over 470 subsidiaries. Providing Historical and Committed Capital Expenditure Information as of 30 June 2025 would be in line with our Company's most recent financial reporting of the results of operations for 6M2025, our disclosure obligations for "notifiable transactions" and "connected transactions" for 6M2025, and the financial condition as at 30 June 2025. Investors would also be able to understand such information in an appropriate context when our Company publishes these financial results.
- (e) In respect of the Trade Receivables Information, in connection to our listing on the HKEX, our Company is required to disclose the details of its trade receivables half-yearly in its interim reports and annual reports. As our Company has more than 470 subsidiaries worldwide, it would be challenging for our Company to provide such disclosures in this Introductory Document as at the Latest Practicable Date. In terms of the cost of compliance, to disclose the amount of trade receivables collected would impose obligations on our Company that are more onerous than the requirements imposed under the Hong Kong Listing Rules. Instead, we have disclosed in this Introductory Document: (1) where the amount of trade receivables is material, information on the Company's credit policy, the circumstances which credit terms may be extended, the average collection period and any material exposure to doubtful trade receivables, for the Period Under Review; and (2) the amount of trade receivables as at 30 June 2025, and the amount collected as of 30 June 2025 (if such information on the amount collected has been announced on the HKEX), or such later date which the information has been announced. In addition, our Company's waiver request in relation to the Trade Receivables Information requires our Company to disclose more than the proposed disclosure in the "Consultation Paper on Proposals to Streamline Prospectus Requirements and Broaden Investor Outreach Channels for Initial Public Offering" released in May 2025 by the MAS, where the MAS had proposed to remove the disclosure requirements in relation to Trade Receivables Information in its entirety, given that the information on trade receivables would already be disclosed in the financials to be provided pursuant to Part 9 of the Fifth Schedule.
- (f) In respect of Material Sources of Liquidity, we are unable to provide a description of our material sources of liquidity, whether internal or external, and a brief discussion of any material unused sources of liquidity, as of the Latest Practicable Date. As an issuer listed on the HKSE, our Company is only required to disclose information relating to liquidity and financial resources, and a relevant discussion and analysis of our Company's performance for the relevant financial year or period in our financial announcements and in our annual and interim reports, which are issued on a half-yearly basis. There is no requirement for our Company to disclose material unused sources of liquidity in our annual or interim reports. Currently, our Company discloses our current assets and liabilities (including its material sources of liquidity) in the half-yearly and full year results announcements and its interim and annual reports.

- (g) In respect of the Principal Directorships Provision, our Directors and executive officers are not required to disclose directorships in private companies provided that such private companies do not compete directly or indirectly with our Group. Hence, our Directors and executive officers have disclosed in this Introductory Document their directorships held, at present or in the last five (5) years preceding the date of this Introductory Document in (a) publicly listed companies; and (b) our Principal Subsidiaries. Our Directors have disclosed their interest in any business (including an interest as a director) which are in, or are likely to be in, competition with the Group for the Period Under Review and the period from 1 January 2025 to the Latest Practicable Date as well.
- (h) In respect of the Shareholding Provision, the disclosure requirements relating to share ownership of companies under the applicable Hong Kong rules differ from the requirements under the Shareholding Provision. If we are required to comply with the Shareholding Provision, it could be potentially confusing (if not misleading) for our shareholders and potential investors. Differences in the disclosures will also result in non-parity of information between the various groups of investors in Hong Kong and Singapore. As such, it would be unduly onerous, and extensive time and resources would be unnecessarily expended by us, to include such disclosures in this Introductory Document which will not be relevant to our Company post-listing.
- (i) In respect of the Remuneration Provisions, our Company is only required to disclose, in accordance with the Hong Kong Listing Rules: (i) exact figures of the remuneration of our directors and chief executive on a named basis; (ii) the remuneration of the five (5) highest paid employees (which includes the directors and senior management members in the pool of employees being assessed) (without identifying each employee, unless any of them is also a director); (iii) the remuneration of the senior management members (who are not directors) by bands (without identifying such senior management members individually); and (iv) the total remuneration of key management personnel without identifying such employees individually as related party transactions in our Company's annual report for FY2024, all of which are set out in the Company's annual reports pursuant to the applicable HK Listing Rules. Under the Hong Kong Listing Rules, our Company is not required to disclose the estimated amount of compensation paid and/or payable to the directors and senior management for FY2025. If our Company is required to comply with the Remuneration Provisions, it would be required to make disclosures which are more onerous than the requirements of its home exchange.
- (j) In respect of the IPT Provisions, the existing interested person transactions requirements under the Fifth Schedule are relatively complex. Our Company is already subject to the Hong Kong Listing Rules on disclosure of connected transactions. It would be unduly onerous for our Company to familiarise itself with the SFR requirements for the purposes of ensuring such disclosure in this Introductory Document especially if, after the Listing, we will not be subject to the ongoing listing obligations relating to interested person transactions under Chapter 9 of the Listing Manual.
- (k) In respect of the Dividend Requirement, there is no corresponding requirement to disclose dividends declared or paid by subsidiaries of a listed company under the Hong Kong Listing Rules. While dividends received by our Company from our subsidiaries contribute to our Group's overall financial performance, they are already reflected in the consolidated financial statements, which form the basis for determining our Company's distributable profits. It would be unduly burdensome on our Company to disclose the information on dividends paid or declared in respect of each entity in the Group. Instead, our Company has disclosed in this Introductory Document dividends paid or declared (as the case may be) by our Company for FY2022, FY2023, FY2024 and for the period from 1 January 2025 to the Latest Practicable Date.
- (l) In respect of the Share Capital Disclosures, under the applicable Hong Kong Listing Rules, details of subsidiaries which, in the opinion of our Directors, materially contribute to the net income of our Group or hold a material portion of the assets or liabilities of our Group shall be included in the annual reports of our Company. Our Directors have determined which of these subsidiaries fall within the aforesaid materiality category on the basis of these entities (i) which

contribute to more than 10% of the Group's revenue, net profits, total assets and/or net assets in any of the financial periods during the Period Under Review; and / or (ii) which, in the opinion of our Directors, are pivotal and critical to our Group's objective and strategic focus of globalising its business and building an international brand image in FY2024, and are disclosed in our Company's annual report for FY2024 as principal subsidiaries. Given that our Group has more than 470 subsidiaries across multiple countries worldwide, it will be unduly burdensome on our Company to comply with the Share Capital Disclosures. Instead, the disclosures relating to the Share Capital Disclosures in this Introductory Document are limited to only our Company and our Principal Subsidiaries.

RISK FACTORS

An investment in our Shares involves risk. Prospective investors should rely on their own evaluation and carefully consider the following risk factors, in addition to other information contained elsewhere in this Introductory Document, before investing in our Shares. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the following risks and other factors elsewhere in this Introductory Document. If any of the risks described herein actually occur, our performance, prospects, financial condition, results of operations and ability to make dividend payments could be negatively affected, the trading price of our Shares, if any, could decline and investors may lose all or part of their investment.

Unless quantified in the relevant risk factors set out herein, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Potential investors should pay particular attention to the fact that we are governed in jurisdictions such as Bermuda, Hong Kong, and countries or regions which we operate in by a legal, regulatory and business environment which in some material respects may be different from that which prevails in Singapore and other countries. In addition, the following risk factors may not be exhaustive, and additional risks and uncertainties not presently known to us or which are currently deemed to be immaterial may become material in the future, which could have a material adverse effect on our businesses, performance, prospects, financial condition, results of operations and ability to make dividend payments or the trading price of our Shares, if any. Prospective investors should be aware that the price of our Shares may fluctuate. Investors should also note that they may not recoup all or any portion of their original investment.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may be affected by on-grid tariff volatility in wind and solar energy markets.

The volatility of on-grid tariffs presents a potential risk to the profitability of our Group, particularly as a substantial portion of the energy generated by our operations is sold through energy trading markets. Fluctuations of our on-grid tariffs are mainly caused by two (2) factors – (i) regulatory changes and policy adjustments; and (ii) market-based pricing mechanism.

Regulatory changes and policy adjustments

World-wide, renewable energy at the early stage of development was encouraged by government policies and funded heavily by subsidies. As the industry grows, subsidies may phase out and other price mechanisms may be introduced, leading to a fully market-driven pricing pattern. For instance, in the PRC, the price parity era replaced subsidy policies in 2021. When the renewable industry became highly competitive and high-tech innovation driven, the PRC's price parity policy fully transitioned to market-based pricing in 2025. See the section entitled "*Regulations – The PRC – Relevant PRC Laws and Regulations in Relation to the Industry – Tariff parity*" of this Introductory Document for further information.

In the PRC, regulatory changes and policy adjustments have occurred multiple times. In the past, the PRC had subsidy policies for the grid connection prices of renewable energy power. The grid connection prices of renewable energy in various regions comprised the benchmark grid connection prices of coal-fired power and a subsidy component. The subsidy component was paid by the PRC government. However, starting from 2021, for newly established centralised photovoltaic power plants, distributed photovoltaic projects in the industrial and commercial sectors, and newly approved onshore wind power projects, the subsidy mechanisms from the PRC central government would cease, and grid connection at parity prices will be implemented for these projects. Nevertheless, for existing projects of our Group that have already been included in the Renewable Energy Subsidy Catalogue, the subsidy component would still be included in their grid connection prices. Such existing projects of our Group continue to be reflected in the Renewable Energy Subsidy Catalogue as at the Latest Practicable Date. Such subsidies for our Group's projects included in the Renewable Energy Subsidy Catalogue would cease: (1) after the subsidies are being fully provided; (2) if the current laws and regulations for such subsidies have expired or lapsed; (3) if there are any changes or amendments to the current laws and regulations which affect the grant or provision of such subsidies; (4) if the project company voluntarily gives up such subsidies; or (5) if the project fails to pass the verification conducted by the NDRC, NEA and MOF. According to the Administrative Measures for the Management of Renewable Energy Electricity Price

Subsidy Funds (《可再生能源电价附加补助资金管理办法》), power grid enterprises shall examine applications for, and the usage of, the subsidies. Such review results shall be reported to the MOF, NDRC and NEA annually. The MOF, NDRC and NEA shall verify the projects. The verification shall be taken as an important basis for the grant of such subsidies. Power grid enterprises shall suspend granting subsidies to projects that fail to pass the verification.

However, since 2020, the total amount of subsidies for those existing projects was reduced as the PRC government established the reasonable utilisation hours used to calculate subsidies throughout the entire lifecycle of each existing project. Overall, the revenue from the power plants has been decreasing annually due to the development of the renewable energy industry and shift in policy. The decrease in revenue from power generation will lengthen the investment return cycle of the project. This change may negatively impact our cash flow and could deter new investments in renewable energy projects. See the section entitled "*Regulations – The PRC – Relevant PRC Laws and Regulations in Relation to the Industry – Regulatory Scheme on Renewable Energy*" of this Introductory Document for further information.

Market-based pricing mechanism

Energy markets in Europe and the United States have been liberalised for years and have eventually developed into a fully functioning energy trading market. Experience from those developed trading markets show that the price of power often experiences significant fluctuations due to supply-demand imbalances, changes in fuel prices, and seasonal factors. With the PRC's transition to full market-based pricing in year 2025, our Group will be more exposed to market price fluctuations and thus face greater on-grid tariff volatility; price fluctuations within the trading market may significantly impact the revenue and financial performance of our wind and solar energy projects. The basic uncertainty of market-based pricing is mainly due to the following factors:

- **Renewable energy supply impact:** Wind and solar energy production is inherently dependent on sunlight and wind availability, which varies with weather conditions, time of day, and seasonal patterns. During periods of high wind energy and solar generation, market prices may decrease due to oversupply, adversely affecting our revenue; and
- **Demand variability:** Electricity demand is influenced by economic conditions and consumer behaviour, both of which can fluctuate unpredictably. Changes in demand impact energy market prices and can affect the Group's profitability.

Given that a significant portion of our projects is in the PRC, the shift toward market-based pricing (replacing the benchmark grid connection prices of coal-fired power and subsidies) exposes us to price swings driven by supply-demand dynamics and broader market conditions. Profit margins may shrink during periods of low prices, potentially impacting the financial stability of our wind and solar assets. While our Group's reliance on subsidies has been decreasing over the years, the shift towards market-based pricing, price volatility of market-based pricing and a reduction in subsidies for our projects which benefit from subsidies could nevertheless have a material adverse effect on our business, financial condition, results of operations, and prospects.

Failure to achieve sufficient utilisation of our facilities may adversely affect our earnings.

Many of our projects have been, or will be, built to a specified capacity in accordance with the terms of the relevant investment or concession agreements with the local governments. A number of factors, which are further elaborated below, may affect the utilisation of our facilities, including operating hours and efficiency of the facilities, which may in turn lower the output of the facilities. The utilisation hours and conversion efficiency of our wind energy and solar power facilities will depend on weather and natural conditions. Utilisation could also be affected by damage, overhaul, or regulatory inspections, whether scheduled or ad hoc. We may also face high running cost of building the on-site energy storage system but low utilisation of the same. If the utilisation rate of energy storage systems is low, it may be difficult to achieve expected investment returns. We cannot assure you that the facilities we operate will be able to achieve the forecast utilisation of their capacity, which may adversely affect our business, financial condition, results of operations and prospects.

- *Curtailment of the electricity we produce by grid companies and rising curtailment rates could have an adverse effect on our business, financial condition, and results of operations.*

In order for us to successfully distribute and sell electricity to the local grids to which our wind and solar plants are connected, the grid companies must have the capacity to offtake our electricity and distribute it to its customers. This requires a stable connection to the transmission and distribution network of the local grid in the localities we operate as well as the capacity of the grid to absorb and transmit our electricity. Grid absorption constraints have been an issue in the PRC where limited grid capacity due to, among other things, obsolete transmission equipment, has resulted in the inability of some grids to absorb large amounts of the electricity we have produced in some areas. This, in turn, has led grid companies to enact curtailment programs in situations where wind and solar power on the local grids exceeds total grid demand and/or capacity. In the first half of 2024, the PRC government announced that the renewable energy utilisation rate in regions with better conditions will be relaxed from 95% to 90%. With the PRC government reducing the consumption threshold from 95% to 90%, this would result in higher average curtailment rates. Further, there is limited and lack of electricity demand in certain areas where electricity resources are abundant. This can result in passive curtailment of power generation. We cannot assure you that our wind and solar power plants will not be affected by such curtailment programs. Any prolonged curtailment that applies to our wind and solar power plants could have a material adverse effect on our business, financial condition, results of operations and prospects.

- *We may fail to keep pace with technological changes in the rapidly evolving renewable energy industry.*

The technologies used in the renewable energy industry are evolving rapidly, and in order to maintain our competitiveness and expand our business we must be able to respond to these technological changes. The rapid expansion of renewable energy installations may lead to a short-term imbalance between renewable energy supply and demand. In addition, rapid technological advancements and frequent model updates have led to challenges such as blade fractures and limitations in hybrid tower technology, and consequently, we may face machinery failure, slowdown or breakdown and/or disparities in grid infrastructure, which will require time, cost and effort for repair, adjustment and/or stabilisation. We may be unable to update our technologies swiftly and regularly, possibly rendering our operations less competitive. While these setbacks are part of the industry's rapid evolution and ultimately drive long-term progress through iterative improvements, failure to respond to current and future technological changes in the renewable energy industry in an effective and timely manner may have a material adverse effect on our business, financial condition or results of operations.

- *The operation of our plants may be adversely affected by weather and climate conditions, natural disasters and seasonal fluctuations.*

Factors affecting the capacity of our wind and solar power plants include the speed of wind and the intensity of sunlight, which are affected by weather and climate conditions. There is no guarantee that all of our wind and solar power plants will achieve the theoretical utilisation hours each year, as weather and climate conditions are inherently unpredictable. The complexities of global weather patterns and climate change contribute to the uncertainty surrounding our power generation capacity. Adverse meteorological conditions can have a material impact on our plants' output and could result in production of electricity below expected output, which in turn could adversely affect our profitability.

In addition, we may operate in areas under the threat of floods, earthquakes, landslides, mudslides, sandstorms, drought, or other inclement weather and climate conditions or natural disasters. If inclement weather or climate conditions or natural disasters occur in areas where our wind and solar power plants and project teams are located, project development, connectivity to the power grid and the provision of renewable energy related services may be adversely affected. In particular, materials may not be delivered as scheduled and labour may not be available. As some of our wind or solar power plants are located in the same region, such wind or solar power plants may be simultaneously affected by weather and climate conditions, natural disasters and adverse work environments.

During periods of curtailed activity, we may continue to incur operating expenses. We may bear some or all the losses associated with such unforeseen events. Moreover, natural disasters which are beyond our control may adversely affect the economy, infrastructure and communities in locations where we conduct our business operations. Such conditions may result in personal injuries or fatalities or have an adverse effect on our work performance, progress and efficiency.

The reduction, modification or elimination of government subsidies and economic incentives may reduce the economic benefits of the wind and solar power plants that we own, develop or acquire in the future.

In the countries where we currently operate or may establish business operations, wind and solar power markets partially owe their rising commercial viability to government support in the form of subsidies or economic incentives. These subsidies and incentives include government subsidies, tax credits and other incentives to end users, distributors, system integrators and manufacturers of wind and solar power products.

The availability and size of such subsidies and incentives depend, to a large extent, on political and policy developments relating to environmental concerns in a given country and the overall cost of developing wind and solar power plants.

In the PRC, the renewable energy subsidy framework has undergone significant reforms, initially managed through government-issued Renewable Energy Subsidy Catalogues, which enabled wind and solar projects to receive tariff subsidies upon registration. In January 2020, the MOF, NDRC, and NEA jointly issued the Several Opinions on Promoting the Healthy Development of Non-Hydropower Renewable Energy Generation (《关于促进非水可再生能源发电健康发展的若干意见》), abolishing the centralised catalogue system and shifting responsibility to grid companies to compile Renewable Energy Subsidy Lists directly from project applications. In August 2021, the NDRC issued the Notice on Matters Related to the 2021 Renewable Energy Tariff Policy (《国家发展改革委关于 2021 年新能源上网电价政策有关事项的通知》), terminating central subsidies for newly approved centralised PV, commercial/industrial distributed PV, and onshore wind projects. By January 2025, the NDRC and NEA further advanced market-oriented reforms through the Notice on Deepening the Market-oriented Reform of Electricity Prices for New Energy and Promoting the High-quality Development of New Energy (《国家发展改革委 国家能源局关于深化新能源上网电价市场化改革促进新能源高质量发展的通知》), mandating full integration of renewable energy into the power market with electricity prices determined through market transactions.

In March 2022, the NDRC, MOF and NEA jointly issued the Notice on Conducting Self-inspection of Subsidies for Renewable Energy Power Generation (《国家发展改革委办公厅 财政部办公厅 国家能源局综司关于开展可再生能源发电补贴自查工作的通知》), which requires grid companies and power generation companies to conduct a self-inspection within a certain time limit on the power generation projects' compliance with law and eligibility for subsidies. We cannot assure you that we will receive subsidies in time for our existing wind and solar power plants where subsidies are applicable. However, through strategic transfers of project in the recent years, we have significantly reduced the proportion of subsidised projects in our power plants assets portfolio, thereby decreasing our reliance on renewable energy subsidies. While we still have some projects which receive such subsidies, the delay in receipt or arrears of subsidies for such projects would not have a significant impact on our cash flow or our operations, and as such, we do not expect the delay in receipt or arrears of subsidies to have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition to government subsidies and economic incentives, our business and prospects are impacted significantly by the goals of industrial and local government activities, including broad policies and specific regulations that promote or mandate, among other things, reductions in carbon or other greenhouse gas emissions, priority dispatch of renewable energy, minimum utilisation hours, construction of UHV transmission network, market initiatives such as Green Certificate and the use of energy from renewable sources. Given that the operations of wind and solar power companies are particularly sensitive to government regulations and policies, any unfavourable change in relevant government direction or regulations may negatively impact the prospects and profitability of our current

and future projects, which could in turn have a material adverse effect on our business, financial condition and results of operations.

We may not be able to develop or acquire additional attractive wind and solar power plants to grow our project portfolio and maintain our competitiveness.

We select sites for wind and solar power plant development based on criteria such as wind speed and solar irradiation of the site, meteorological conditions, applicable on-grid tariffs, conditions of local grid connection, electricity transmission infrastructure, demands for electricity in the local markets and wind/solar power curtailment. Once a site is selected, we enter into either a lease agreement with the landlord(s) for a period covering the lifespan of power plant project or an exclusive development agreement with the local government to secure the right to develop and invest in such area for the development of potential power plants. We cannot assure you that the land on which our wind and solar power plants are located or to be constructed will not be expropriated by the government, which may materially adversely affect our business, financial condition and results of operations.

Further, there are other factors which will affect our ability / capacity to develop or acquire additional attractive wind and solar power plants and maintain our competitiveness:

- **Intensified competition for renewable energy resources:** Traditional energy enterprises (e.g., thermal power producers), global investors, and leading technology firms (such as Google and Amazon) are increasingly entering the renewable energy sector. This influx of new players has significantly heightened competition for premium renewable resources, which makes the wind and solar power industry even more competitive;
- **Competitors may have more resources or advantages:** Some of our competitors may have advantages over us in terms of greater operational, financial, technical, management or other resources in particular markets or in general. Our market position depends on our financing, development and operational capabilities, reputation, and experience. Our competitors may also enter into strategic alliances or form affiliated companies with other competitors to our detriment. Suppliers or contractors may merge with our competitors, and may also provide them cost efficiencies that put us at a competitive disadvantage which may limit our choices of contractors, and hence the flexibility of our overall project execution capabilities. We cannot assure you that our current or potential competitors will not offer wind or solar power plants, power or services comparable or superior to those that we offer at the same or lower prices or that they will not adapt more quickly than we do. Increased competition may result in price reductions, reduced profit margin and loss of market share;
- **Escalating land costs in resource-rich regions:** In areas abundant in wind and solar potential, such as China's "Three-North" region, Northern Europe and Central United States, land leasing or acquisition costs have surged. This increase has adversely impacted project economics, leading to the postponement or cancellation of several developments;
- **More complex regulatory approvals:** Governments are tightening project approval processes to better balance environmental protection and local community interests. For example, the European Union has introduced stricter environmental impact assessment requirements, while the United States has imposed certain constraints on wind energy projects;
- **Rise of local protectionism:** Some countries are enacting policies to limit foreign participation in renewable energy investments (e.g., the United States) or are prioritising resource allocation for state-owned enterprises (e.g., certain provinces in China), thereby creating additional barriers for external stakeholders. In particular, we face competition from local and international developers of wind and solar power plants, many of whom are integrated with upstream manufacturers, as well as state-owned enterprises (SOEs) who may be more favourable and advantageous when it comes to large-scale projects. If we cannot develop or acquire additional attractive wind and solar power plants and/or offer compelling value to our customers based on these factors, our business will not grow. Traditional utilities generally have substantially greater scale and financial resources than we do, and as a result may be able to devote more resources to the construction of powerplants or respond more quickly to evolving industry standards and changes in market conditions than we can; and

- **Growing scarcity of high-quality renewable resources:** The most accessible and economically viable sites – characterised by high wind speeds, strong solar irradiance and proximity to grid infrastructure – have largely been developed. Remaining resources are increasingly located in remote or suboptimal areas (such as desert solar fields or low wind speed regions), resulting in higher development costs and greater technical complexity.

In addition, although we may acquire suitable wind or solar power plants in the future, there is no assurance that our due diligence investigation on potential acquisition targets will reveal all material issues that may affect the acquisition, or that factors outside the control of the target business and outside of our control will not later arise which could adversely affect our business, financial condition and results of operations. As such, we cannot assure you that any such acquired wind or solar power plant will turn out to be a profitable addition to our project portfolio. Furthermore, there are certain operational risks associated with growing our project portfolio such as:

- accurately prioritising geographic markets for entry, including estimates on addressable market demand;
- obtaining construction, environmental and other permits and approvals;
- securing land rights or other site control;
- managing local operational, capital investment or components sourcing regulatory requirements;
- connecting to the power grid on schedule and within budget;
- transmitting electricity when there is insufficient grid capacity;
- identifying, attracting and retaining qualified development specialists, technical engineering specialists and other personnel;
- securing cost-competitive financing on attractive terms; and
- collecting on-grid tariff payments and other economic incentives as expected.

Failure to address any of these foregoing could adversely affect our business, financial condition and results of operations.

We have failed to obtain, and may fail to maintain, some requisite government approvals, permits, licences and certificates in obtaining land, construction of wind and power plants and the operation of our business.

The development, construction and operation of our wind and solar power projects are highly regulated activities and are subject to strict laws and regulations. These laws and regulations relate to, among other things, project approvals and other government approvals and licensing requirements for power companies, building and construction of new projects, landscape conservation and electricity dispatch and transmission. For instance, in the PRC, the government approvals, permits, licences and certificates generally include project approval (or filing), Environmental Impact Assessment, Safety Design and Assessment, the Real Property Ownership Certificate (不动产权证书), construction land planning permit (建设用地规划许可证), construction project planning permit (建设工程规划许可证), commencement of construction work permit (建筑工程施工许可证), and other filings, permits and approvals. For further information on the Real Property Ownership Certificate (不动产权证书), construction land planning permit (建设用地规划许可证), construction project planning permit (建设工程规划许可证) and commencement of construction work permit (建筑工程施工许可证), please refer to the risk factor below entitled "We do not own all of the land and there are certain defects in the land use rights we obtained, which could adversely affect our operations and asset sales." of this Introductory Document. Once a power project is completed, it must pass construction completion inspection, environmental protection inspection, water and soil conservation facility inspection and fire control

inspection and obtain an electric power business permit before it can carry out Power Generation Business. In particular, wind and solar projects must obtain the electric power business permit within six (6) months after grid connection.

A minority of our PRC Principal Subsidiaries have not obtained all of the aforementioned approvals and permits for construction work, which include the construction land planning permit and construction project planning permit, or have not obtained Real Property Ownership Certificates. As at the Latest Practicable Date, one (1) out of 12 of our PRC Principal Subsidiaries' projects has not yet obtained the necessary permits for the construction of its power plant project. Kaiyuan Julong has not obtained the construction land planning permit – the Kaiyuan Municipal Bureau of Natural Resources had issued a notice to Kaiyuan Julong stating that Kaiyuan Julong has obtained a preliminary land approval, but the Kaiyuan Municipal Bureau of Natural Resources would not be able to issue the construction land planning permit for the project because the project was located outside of the scope of the applicable city plan at that time. Since the relevant natural resources authorities were drafting the new city plan, both the People's Government of Honghe Hani and Yi Autonomous Prefecture and the People's Government of Kaiyuan have separately provided assurances that this project will be incorporated into the new city plan which is currently still in draft form. In addition, the project was approved by the Yunnan Provincial Development and Reform Commission, and Kaiyuan Julong has since obtained all Real Property Ownership Certificates for the project. As such, Beijing Jincheng Tongda & Neal Law Firm, the legal adviser to our Company as to PRC law, and Hai Run Law Firm, the legal adviser to the Issue Manager as to PRC Law, have confirmed that as Kaiyuan Julong has obtained the Real Property Ownership Certificates and received assurances from the local governments, the risk that it would be required to obtain the construction land planning permit or penalised for its lack of such permits is low.

While we are currently in the process of applying for the relevant approvals, permits, licences and certificates, we cannot fully assure you that we will be able to obtain them in the future in a timely manner or at all. Failure to obtain such requisite government approvals, permits, licences and certificates may subject us to fines, orders to cease construction, demolish the new buildings in a timely manner, and other penalties such as dismantling or confiscation of the new buildings or structures, or halting power generation based on the severity of the illegal facts according to the PRC laws.

In particular, pursuant to the Urban and Rural Planning Law of the PRC (《中华人民共和国城乡规划法》) ("**Urban and Rural Planning Law**"), where an entity engages in construction without obtaining the construction project planning permit or without complying with the provisions in the said permit, it shall be ordered to discontinue construction by the department in charge of urban and rural planning under the local people's government at or above the county level; if measures for rectification can be adopted to eliminate the impact on the implementation of the plan, it shall be ordered to make rectification within a time limit and be fined not less than 5% but not more than 10% of the cost of the construction project; otherwise, it shall be ordered to demolish the project within a time limit; if the project cannot be demolished, the project itself or the unit's unlawful income shall be confiscated, and it may, in addition, be fined not more than 10% of the cost of the construction project. Pursuant to the Administrative Measures on Construction Permits for Construction Projects (《建筑工程施工许可管理办法》), for unauthorised constructions without a commencement of construction work permit, or by dividing a project for the purpose of avoiding the application for the commencement of construction work permit, the permit issuing authority with jurisdiction shall order the offender to suspend the construction and make corrections within the time limit, impose a fine of more than 1% and less than 2% of the project contract price on the project owner and impose a fine of less than RMB30,000 on the developer of the construction. Such penalties may have a material adverse effect on our business, financial condition, results of operations and prospects. As of the Latest Practicable Date, there have been no such penalties imposed on the relevant PRC Principal Subsidiaries for the lack of construction approvals and permits. Pursuant to Article 36 of the PRC Administrative Penalty Law (《中华人民共和国行政处罚法》), where an illegal act is not discovered within two (2) years, no administrative penalty shall be imposed, except as otherwise prescribed by law. In respect of the projects of our PRC Principal Subsidiaries that had not obtained the requisite construction permits and approvals, the projects in question were approved by the local governments and have already commenced production. Given that these projects have obtained the necessary operational approvals and are currently in operation, the likelihood of substantial administrative penalties or demolition is considered low based on prevailing regulatory practice and the lapse of time. For further details of the past penalties that have been imposed on our PRC Principal Subsidiaries in relation to land defects, please refer to the section entitled

"Risk Factors – Risks Relating to Our Business and Industry – We do not own all of the land and there are certain defects in the land use rights we obtained, which could adversely affect our operations and asset sales." However, we will use our best efforts to obtain the requisite government approvals, permits, licences and certificates (including Real Property Ownership Certificates (不动产权证)) in relation to our business and construction and operations of our power plants in a timely manner. This includes putting in place a monitoring process by our construction department for all projects under construction, where the application status of the approvals, permits and licences are reviewed on a monthly basis, and a review process prior to the commencement of our projects to determine the government approvals, permits, licences and certificates required for the construction and operations of our power plant projects, expediting the submission of the applications and maintaining effective communication with the relevant government departments to monitor the status of the approval process.

On a similar note, in carrying out our business operations, we are required to comply with the relevant laws and regulations and obtain certain licences, permits, registrations and approvals from various governmental authorities in the countries that we operate in. Please refer to the sections entitled *"Regulations"* and *"Business – Material Licences, Permits and Approvals"* of this Introductory Document for a summary of the key laws and regulations affecting our Group and the key licences, permits, registrations and approvals obtained as at the Latest Practicable Date.

Some of these licences, permits, registrations and approvals may be subject to conditions, periodic renewal and reassessment by the relevant authorities, and the standards of compliance required in relation thereto may from time to time be subject to changes. New laws, regulations or policies may also be adopted. Accordingly, we have to constantly monitor and ensure compliance with the relevant conditions, laws and regulations. While we have not encountered any material instances of failure to obtain or renew any licences, permits, registrations or approvals required for the operation of our Principal Subsidiaries during the Period Under Review, obtaining, retaining or renewing the terms of the necessary licences, permits and registrations or approvals can be a time-consuming process. There is no assurance that we will be able to obtain renewed licences, permits, registrations and approvals upon their expiration in a timely manner, or at all, and we have in the past and may in future violate certain conditions of our licences. For example, in 2024, some of the management staff of our PRC Principal Subsidiaries were found to have served in multiple corporations, violating the Provision on the Administration of Electric Power Business Licences (电力业务许可证管理规定). The relevant PRC Principal Subsidiaries have since rectified this issue in a timely manner. No formal notices were issued by the relevant regulatory authorities to our PRC Principal Subsidiaries in respect of this issue. As no fines or penalties were imposed and the electricity power business licences of our PRC Principal Subsidiaries remain valid and in effect, these past violations have not had a material adverse impact on the Group's financials and operations. Any failure to obtain or renew such licences, permits, registrations and approvals as planned, a violation of licence conditions, or any requirement for a more stringent compliance standard may have a material and adverse effect on our business, financial condition, results of operations or prospects. However, we will use our best efforts to obtain renewal of the requisite licences, permits, registrations and approvals upon their expiration in a timely manner in relation to our business and construction and operations of our power plants, and observe and comply with the terms and conditions of such licences, permits, registrations and approvals.

There is also no assurance that the regulatory environments in which we operate will not change significantly or become more stringent in the future. Compliance with existing or new laws and regulations may increase our compliance costs, which may adversely affect our business, operations, financial performance and prospects. In addition, there is no assurance that we would be able to comply with such amended or new laws and regulations, which may have an adverse effect on our business, operations, financial performance or prospects. In the event that we fail to comply with the relevant laws and regulations, we may be penalised for such breaches of law or regulation, and we may have to incur significant expense and divert substantial management time to resolve any deficiencies, and our business, financial condition, results of operations or prospects may be adversely affected as a result. However, we will use our best efforts to observe and comply with such relevant laws and regulations.

Our substantial indebtedness could adversely affect our business, financial condition and results of operations.

We require a significant amount of capital to meet our capital requirements and fund our operations, including payments to suppliers for rotor blades, PV modules and balance of system components and

to contractors for design, engineering, procurement and construction services. As such, our Company and our subsidiaries have from time to time entered into short-term and long-term financing arrangements with financial institutions to secure funds for our business operations and/or investments. Under the terms of such financing arrangements, we are subject to interest payment and loan repayment obligations, as well as restrictive covenants or other obligations which may include, among others, the maintenance of financial ratios, prohibition on the creation of encumbrances over our assets, restrictions on change of control, restrictions on payment of dividends and loans or advances, and minimum insurance coverage. We believe our substantial indebtedness will increase as we expand our business operations. As at 30 June 2025, we had RMB2,204 million in outstanding short-term bank, other borrowings and lease liabilities and RMB18,220 million in outstanding long-term bank, other borrowings and lease liabilities.

Our ability to secure loans or repay or refinance our debt obligations in a timely manner depends on our operating results and financial position at the relevant time, which are subject to prevailing market and economic conditions and various other factors, some of which may be beyond our control. There is no assurance that we will be able to maintain a level of cash flows from operating activities or financing activities that will be sufficient to pay or repay the principal, interest or other required payments on indebtedness.

Our total indebtedness (comprising the current portion and non-current portion of bank borrowings and other borrowings, senior notes and bonds payable, convertible loans and lease liabilities) as at 31 December 2022, 2023 and 2024 and 30 June 2025, was RMB14,052 million, RMB16,692 million, RMB16,650 million and RMB20,424 million, respectively, which includes our bank borrowings, other borrowings, senior notes and bonds payables and lease liabilities. We now have, and will continue to have, after the Introduction, a substantial amount of indebtedness.

To this end, the amount of our debt could have a significant consequence on our operations, including:

- reducing the availability of our cash flow to provide working capital, capital expenditures, acquisitions and other general corporate purposes as a result of our debt service obligations;
- limiting our ability to obtain additional financing; and
- increasing our vulnerability to changes in our business, the industry in which we operate and the general economy.

Our substantial indebtedness could have important consequences to you. For example, it could:

- limit our ability to fulfil our financial and operational targets and other debt;
- increase our vulnerability to adverse general economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to servicing and repaying our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and for other general corporate purposes;
- limit our flexibility in planning for or reacting to changes in our businesses and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- limit, along with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds; and
- increase the cost of additional financing.

Any of these factors and other consequences that may result from our substantial indebtedness could have an adverse effect on our business, financial condition and results of operations as well as our ability to meet our debt payment obligations. Our ability to meet the payment obligations of our outstanding debt depends on our ability to generate significant cash flow in the future. This, to some

extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control.

In addition, in the future, we may from time to time incur substantial additional indebtedness and contingent liabilities. If we or our subsidiaries incur substantial additional debt, the risks that we face as a result of our already substantial indebtedness and leverage could intensify.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We anticipate that our operating cash flow will be sufficient to meet our anticipated operating expenses and to service our debt obligations as they become due. However, there is no assurance that we will be able to generate sufficient cash flow for these purposes. If we are unable to service our indebtedness, or if our guarantors are unable to perform their guarantee obligations and we are unable to secure alternative guarantees, we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing our indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

Further, a majority of our loan facilities incur interest at floating interest rates. The interest rates which we are charged will expose our Group to risks associated with debt financing, including exposure to fluctuations in interest rates and insufficient cash flows to meet required payments of the principal amount and interest under such financing. A material increase in interest rates would increase borrowing and finance costs, which may in turn weaken our Group's financial standing when seeking future financing for our expansion or other funding requirements.

Our Group will also be subject to the risk that our existing borrowings may be terminated by the financial institutions upon the occurrence of certain events (such as a breach of covenants, the failure to make interest payments and/or rectify any breach in the agreements) or we may not be able to refinance our existing borrowings or the terms of any refinancing will not be as favourable as the terms of our existing borrowings. This may adversely affect the business, results of operations, financial condition and prospects of our Group.

Accordingly, we will be required to service these borrowings and/or any additional borrowings drawn down by us and will be subject to risks normally associated with debt financing, including the risk that our cash flows in the future may be insufficient to meet the required payments of principal and interest of such bank loans. There is no assurance that we will be able to roll over or refinance such bank loans when they eventually mature in the future, on similar or more favourable terms, or at all. In addition, the bank loans contain restrictive covenants with respect to financial and operational matters including restrictions on payment of dividends and loans and advances by us. In addition, while such restrictions on payment of dividends and loans or advances by us has not had a material adverse impact on our Group's financial condition or operations, there is no assurance that the restrictions on the ability of our subsidiaries to pay dividends or make loans or advances to us will not adversely affect our ability to meet our cash obligations, make investments or acquisitions that could be beneficial to our business or our ability to pay dividends to our Shareholders. Any future breach of covenants by us in connection with the bank loans may constitute an event of default under the relevant loan agreements, which may in turn, result in us having to repay such bank loans immediately. If any of such events occur, our cash flows and liquidity and consequently, our business operations may be adversely affected. We may be unable to refinance our indebtedness (if any) on favourable terms and in a timely manner, or at all. Further, if the interest costs on our borrowings increase significantly, our results of operations will also be adversely affected.

There have been no incidents of loan covenant breaches that had a material adverse impact on our Group's business operations and/or financials. However, we cannot assure you that such events will not occur in the future or that they will not have a material adverse effect on our business, financial position, results of operations and prospects.

We have pledged and mortgaged certain assets or shares of our Principal Subsidiaries to secure our borrowings and financial leasing, and if we fail to comply with the financial and other covenants under our loan and financial leasing agreements, our financial condition, results of operations and business prospects may be materially and adversely affected.

We have entered into loan agreements, equity interest pledge arrangements or financial leasing agreements containing financial and other covenants that require us to impose certain restrictions on the disposition of our assets or give prior notification for certain events and have pledged/mortgaged certain assets, including, but not limited to, shares and properties of our PRC Principal Subsidiaries, to secure some of our general banking facilities and financial leasing agreements. Although we have complied with all financial and relevant covenants, we cannot assure you that we will be able to comply with some of those financial and relevant covenants in the future. If we default on such banking facilities or financial leasing agreements, the repayment of the indebtedness under the relevant agreement may be accelerated. We may, in turn, be required to repay the entire principal amount, including interest accrued and unpaid if any, of certain of our other existing indebtedness prior to their maturity under the cross-default provisions of our other loan agreements or financial leasing agreements. If we are required to repay a significant portion or all of our existing indebtedness prior to its maturity, we may lack sufficient financial resources to do so. In that case, the relevant mortgagees or pledgees may foreclose such assets we pledge or mortgage and have priority in repayment. Any of those events could have a material adverse effect on our financial condition, results of operations and business prospects.

We may be subject to unforeseen costs, expenses or liabilities when operating and maintaining our wind and solar power plants.

We perform scheduled and unscheduled maintenance for our wind and solar power plants. If we fail to properly operate and maintain our wind and solar power plants, the wind and solar power plants may experience decreased performance levels, reduced useful lives or shutdowns. Through changes in our own operation or in local conditions, the costs of operating a project may increase, including costs related to labour, equipment, insurance and taxes. We may also experience equipment malfunction or failure, leading to unexpected maintenance needs, unplanned outages or other operational issues. In addition, inconsistencies in the quality of rotor blades, PV modules, and balance of system components or maintenance services for our wind and solar power plants may affect the system efficiency of our power plants. We may also encounter difficulties in selling electricity to the power grid due to failures in infrastructure or transmission systems. To the extent that any of the foregoing affects our ability to sell electricity to the power grids, or we incur increased costs in relation to operating and maintaining wind and solar power plants, our business, financial condition, results of operation and prospects could be materially and adversely affected.

Our Group's business and expansion plans are capital intensive and may require further financing for future growth.

During the Period Under Review, our Group relied largely on retained earnings, cash on hand as well as borrowings from banks and financial institutions to finance our working capital and capital expenditure. We require a significant amount of capital to fund the construction of our wind and solar power projects. We may also require additional capital as a result of changing business conditions or other future developments, including any investments in upstream segments of the renewable energy industry we may decide to pursue, in order to remain competitive.

Construction of wind and solar power plants requires significant upfront capital expenditure. Our ability to obtain external financing is subject to a number of factors that may be uncertain, including:

- our future financial condition, results of operations and cash flows;
- the general condition of the equity and debt capital markets;
- regulatory and government support in the form of tax credits, rebates, on-grid tariff support schemes and other incentives;
- the continued confidence of banks and other financial institutions in us and the renewable energy industry; and
- our ability to comply with any financial covenants under the debt financing.

Historically, we have used bank loans, issuances of corporate bonds, equity financing and financial leasing to fund our project development. We expect to expand our business through debt and equity financing from third parties, including banks, insurance companies, private equity funds, utility companies and conglomerates.

Although we have been able to rely on such means to fund our business, we can neither assure you that we will be able to continue to obtain or rely on such financing support in the future nor guarantee that we will be successful in securing additional suitable sources of financing when required or at all, or on terms or at costs that we find attractive or acceptable. In addition, rising interest rates could adversely impact our cost of capital and ability to otherwise secure financing on favourable terms. In the event that we are unable to obtain the required financing and do not have sufficient cashflow to fund our business and/or working capital requirements, our Group's business, financial position, results of operations and/or prospects may be materially and adversely affected.

In addition, while the liberal monetary policies in the countries where our subsidiaries operate have led to a reduction in our long-term financing costs, there is no assurance that such policies will persist. Any tightening of the monetary policies, increase in interest rates, or changes in credit market conditions could lead to higher financing costs. An increase in borrowing costs, combined with our existing secured obligations, could further strain our liquidity, impact our capital structure, and adversely affect our overall financial position.

We may come across potential business opportunities that may be favourable to our Group's future growth and prospects. Under such circumstances, we may require additional capital through equity or debt financing. Our Group's ability to raise capital is dependent on factors including, among other things, the prevailing economic conditions globally, our Group's ongoing financial position and results of operations, the state of the capital and credit markets, government regulations and the acceptability of the funding terms offered.

If we raise funds through the issuance of additional equity or debt, including convertible debt or debt secured by some or all our assets, holders of any debt securities or preferred shares issued will have rights, preferences and privileges senior to those of holders of our ordinary shares in the event of liquidation. If additional debt is issued, there is a possibility that once all senior claims are settled, there may be no assets remaining to pay out to the holders of ordinary shares. In addition, if we raise funds through the issuance of additional equity, whether through private placements or public offerings, such an issuance would dilute the interests of our current Shareholders that do not participate in the issuance. If we are unable to obtain any needed additional funding, we may be required to reduce the scope of, delay, or eliminate some or all of our planned business activities, any of which could materially and adversely affect our business.

Furthermore, the terms of any debt securities we may issue in the future may impose restrictions on our operations, which may include limiting our ability to incur additional indebtedness, pay dividends on or repurchase our share capital, make certain acquisitions or investments, or otherwise restrict our freedom to operate our business by requiring lenders' consent for certain corporate actions. In addition, we may be subject to covenants requiring us to satisfy certain financial tests and ratios, and our ability to satisfy such covenants may be affected by events outside of our control. There is no assurance that we will be able to obtain additional financing on terms that are favourable and acceptable. If we are not able to secure adequate financing, our business and growth may be negatively affected.

We are unable to assure you that our Group will be able to obtain additional funds, either on a short-term or a longer-term basis, on terms commercially acceptable to us when capital is required. If our Group fails to manage discretionary spending or is unable to secure necessary funding or secure such funding on terms which are favourable to us, or at all, whether through external debt financing, equity financing and/or internally generated cash flows, our business, results of operations, financial condition and prospects may be materially and adversely affected.

Our leased interest or entitlement in our offices and dormitories may be defective or subject to lien and our right to lease, own or use the properties affected by such defects or lien may be challenged, which could cause disruption to our business.

Under PRC laws, all lease agreements of commodity housing on state-owned land within an urban planning zone are required to be registered with the local housing authorities. The lease registration must be completed by both the lessor and the lessee. With respect to three (3) offices and dormitories currently leased by our PRC Principal Subsidiaries which are covered by the registration requirement, they have not been filed and registered with the relevant local housing authorities. These leases have not been registered with the relevant authorities primarily because there are practical challenges in doing so, such as differing local practices across different provinces, complexities in the administrative process and the need to procure the cooperation of the lessors for registration of the leases, thus requiring time and resources to complete the registration of the leases. This is not an uncommon issue in the PRC, as fines would only be imposed by the PRC authorities if the registration of the leases is not completed within the prescribed time after a correction notice is issued. If the registration is not obtained, we may be subject to monetary fines which would be a relatively immaterial amount of not more than RMB10,000 for each such lease. For further details of our leased properties, please refer to the section entitled "*Business – Properties and Fixed Assets*" of this Introductory Document.

According to the PRC Civil Code and our PRC Legal Adviser's opinion, failure to complete leasing registration and filing procedures in relation to the lease contract shall not affect the validity of such lease contract. Thus, the Group would not be required to vacate or relocate its operations from the affected properties, and the Group's business operations and/or financials would not be materially affected by the non-registration of the leases. The tenant shall have the right to occupy and use such leased properties in accordance with such lease contract. For the avoidance of doubt, the PRC authorities responsible for the administration of registration of leases have no right to terminate unregistered lease contracts under PRC laws.

As at 30 June 2025, none of the PRC Principal Subsidiaries has received a correction notice from the relevant local authorities in relation to the offices and dormitories leased by the PRC Principal Subsidiaries in the PRC that have not been registered with the relevant local authorities. Our PRC Legal Adviser has further confirmed that fines are only imposed if the tenant fails to make corrections within a prescribed time limit after receiving such a notice. Therefore, as at 30 June 2025, the Group does not anticipate any payment of fines for the PRC Principal Subsidiaries and has the right to occupy and use such leased properties in accordance with corresponding lease contracts. However, the Group will use its best efforts to observe and comply with such registration requirements in a timely manner and complete the necessary registration procedures promptly if a correction notice is issued to the Group. The Group only intends to take steps to register the leases that have not been registered with the relevant local authorities if a correction notice is issued in respect of the relevant leases as: (1) the issue of unregistered leases is not an uncommon issue in the PRC, (2) non-registration of the leases will not affect the validity of the leases or adversely affect the Group's business operations, (3) the quantum of the fine is relatively immaterial, and (4) there are practical challenges in registering the leases, as described above.

We do not own all of the land and there are certain defects in the land use rights we obtained, which could adversely affect our operations and asset sales.

Under the relevant PRC laws, project companies like the subsidiaries of our Group are required to obtain certain permit(s), certificate(s) or approval(s) regarding the lands and properties for wind and solar power plants, the process of which is set out as follows.

- (a) Pursuant to the Regulation on the Implementation of the Land Administration Law of the PRC (《中华人民共和国土地管理法实施条例》) ("**Land Administration Regulation**"), in the event that a construction project needs to occupy the agricultural land beyond the scope of the land used for construction of cities, villages and towns as determined in the territorial space planning, the first step would be as follows: (i) if the occupation of permanent basic farmland¹ is involved,

¹ Pursuant to the Regulations on the Protection of Basic Farmland (《基本农田保护条例》), the term "basic farmland" ("基本农田") refers to the cultivated land that shall not be occupied, which is designated on the basis of the overall plan of land utilisation and the projected demand of the population and social economic development for agricultural products within the relevant planning period. The Ministry of Natural Resources defines the "permanent basic farmland" ("永久基本农田") on its official website as farmland that is subject to special protection to ensure national food security, which is determined by the territorial spatial planning and cannot be occupied or used for other purposes without authorisation.

the matter shall be subject to approval by the State Council of the PRC; or (ii) if the occupation of permanent basic farmland is not involved, the matter shall be subject to approval by the State Council of the PRC or the provincial-level government. Specifically, before a construction project is approved or filed, the relevant competent department natural resources authorities shall examine the matter relating to the type of land that is proposed to be used for the construction project and put forward a preliminary opinion on the land use of the construction project (建设项目用地预审意见).² Pursuant to the Administrative Measures for the Preliminary Examination of Land Use for Construction Projects (《建设项目用地预审管理办法》), the preliminary examination shall be an examination lawfully conducted by the competent department of natural resources on land utilisation matters involved in construction projects at the stages of approval / filing of construction projects. The preliminary land approval from the preliminary examination is the prerequisite to the approval / filing of the construction projects.

- (b) Pursuant to the Land Administration Regulation, the next step would be for the project company to apply to the PRC government at the city or county level for the right to use such plot of state-owned land for the purposes of construction based on the overall approval / filing of the construction project by the relevant authorities. The process is as follows:
 - (i) To convert such agricultural land to state-owned land for the purposes of construction, the PRC government will expropriate the relevant land required by the construction project in accordance with the Land Administration Law of the PRC (《中华人民共和国土地管理法》) ("Land Administration Law"), the Land Administration Regulation and other applicable PRC laws. After such expropriation, the PRC government would then have completed the conversion of agricultural land to state-owned land for the purposes of construction.
 - (ii) Pursuant to the Land Administration Regulation, the assignment of the state-owned land use right shall be conducted through public trading platforms and the party that is entitled to use such plot of land shall be determined by way of competitive methods such as bidding, auction or listing. The bid winner shall then enter into a contract with the PRC government for the transfer of the state-owned land use right from the PRC government to such bid winner.
 - (iii) Pursuant to the Rules for Implementation of the Provisional Regulation on Real Property Registration (《不动产登记暂行条例实施细则》), the project company would then apply for the registration of state-owned land use rights with such contract for the transfer of the state-owned land use right, proof of payment of state-owned land use rights transfer fee under such contract, proof of payment of relevant taxes and other documents required by the Provisional Regulation on Real Property Registration.
- (c) At the same time, the project company will need to apply for the construction land planning permit (建设用地规划许可证) pursuant to the Urban and Rural Planning Law. Such applicant of the construction land planning permit shall submit to the urban and rural planning department at the city or county level or to the township government authorised by the provincial government such contract for the transfer of the state-owned land use rights (mentioned in step (b)(ii) above in this risk factor).
- (d) Thereafter, the project company will need to apply for a construction project planning permit (建设工程规划许可证). Pursuant to the Urban and Rural Planning Law, the applicant of the construction project planning permit (建设工程规划许可证) shall submit to the urban and rural planning department at the city or county level or to the township government authorised by the provincial government (i) the construction land planning permit (建设用地规划许可证); (ii) the

² The authority of such competent department of natural resources typically corresponds to the level of the government responsible for approving/filing construction projects, as well as whether the project may encroach upon permanent basic farmland or ecological red line. For instance, if a construction project requires determination by a city-level government, the corresponding natural resources department at that level shall provide the relevant preliminary opinion on the land use of the construction project (建设项目用地预审意见). In cases where the land involved includes permanent basic farmland, such preliminary opinions must be conducted by the Ministry of Natural Resources.

design scheme of the construction project; and (iii) other documents required by the Urban and Rural Planning Law.

- (e) After the project company has obtained both the construction land planning permit (建设用地规划许可证) and the construction project planning permit (建设工程规划许可证), pursuant to the Administrative Measures on Construction Permits for Construction Projects (《建筑工程施工许可管理办法》), the project company will need to apply for the commencement of construction work permit (建筑工程施工许可证). Such project company shall submit to the housing and urban-rural development department at or above the county level (i) the construction land planning permit (建设用地规划许可证); (ii) the construction project planning permit (建设工程规划许可证); and (iii) other documents required by the Administrative Measures on Construction Permits for Construction Projects.

Since the Administrative Measures on Construction Permits for Construction Projects provide the provincial-level administrative department of housing and urban-rural development authorities the authority to determine when a project company is exempt from applying for a construction commencement permit, various provinces have since established their own criteria regarding whether such permits are necessary. In practice, project companies are required to obtain a commencement of construction work permit for booster stations and other relevant buildings. However, for the construction of wind turbines, project companies will only need to apply for the construction land planning permit (建设用地规划许可证) and the construction project planning permit (建设工程规划许可证) – the commencement of construction work permit (建筑工程施工许可证) is not required for the construction of wind turbines as the PRC authorities do not classify wind turbines as buildings.

- (f) Pursuant to the Rules for Implementation of the Provisional Regulation on Real Property Registration, the project company could also apply for registration of the ownership of the building(s) (which shall be located within the range of the land the project company has already obtained the use right) upon the completion of the construction project.
- (g) After completing the aforementioned processes, namely steps (a) to (f) set out above in this risk factor, the project company would then typically possess a Real Property Ownership Certificate that records both the land use rights and ownership of building(s) (booster stations and other relevant buildings), as well as additional Real Property Ownership Certificates that record the land use rights associated with wind turbine. According to PRC laws, the relevant Real Property Ownership Certificate(s) should be obtained before the construction of the plant by a project company.

Since the Provisional Regulations on Real Property Registration (《不动产登记条例》) promulgated by the State Council of the PRC on 24 November 2014 became effective on 1 March 2015, the Land Use Rights Certificate (土地使用权证) and the House Ownership Certificate (房屋所有权证) have been combined into the Real Property Ownership Certificate. The Provisional Regulations on Real Property Registration also state that the various types of certificates of real property issued in accordance with the prevailing laws prior such regulations coming into force shall remain in effect. Therefore, the project company may continue to hold Real Property Ownership Certificates or Land Use Rights Certificate and Housing Ownership Certificate (as the case may be), based on the point in time at which the project company applied for such certificates.

Given the complexity of the laws governing land and construction management, we may not have valid titles or rights to use certain properties. Most renewable energy companies will commence construction after the project is approved or filed but prior to the obtaining of the Real Property Ownership Certificate (which will reflect the land use rights only).³ As the application for the construction land planning permit can only be made after the land area has been determined, the construction land planning permit would usually be applied for and obtained only after (i) the exact location of the wind turbine and the land area

³ Following the execution of the contract for the transfer of state-owned land use rights (mentioned in step (b)(i) above in this risk factor), the Real Property Ownership Certificate will initially reflect the land use rights only, as construction of buildings would not have been completed yet. Upon completion of the construction of the buildings, the Real Property Ownership Certificate will then be updated to include both land use rights and ownership of the buildings.

of the wind turbine site have been determined and finalised; (ii) the construction site has been identified; and (iii) the excavation of the wind turbine site has been completed. The construction works would have to be undertaken for the excavation of the wind turbine site to be completed. As such, it is not uncommon in the renewable energy industry to commence construction prior to obtaining the Real Property Ownership Certificate (which will reflect the land use rights only).

According to the Land Administration Regulation, Urban and Rural Planning Law, the Administrative Measures on Construction Permits for Construction Projects and the Rules for Implementation of the Provisional Regulation on Real Property Registration, the Real Property Ownership Certificate (which will reflect the land use rights only) should be obtained before the construction of the plant. However, in practice, there are cases where renewable energy companies obtain the Real Property Ownership Certificate (which will reflect the land use rights only) after the construction but before the plant becomes operational. Based on the Company's understanding of the market practice, the construction land planning permit would be obtained during construction and before the plant becomes operational. After the construction land planning permit has been obtained, the next step would be to acquire the land use rights to the land, which involves the process of bidding for, and purchase of, the land use right as described below.

As mentioned in step (b)(ii) above in this risk factor, pursuant to the Land Administration Regulation, the assignment of state-owned land use rights must be conducted through public trading platforms utilising competitive methods such as bidding, auctioning, or listing even though the relevant project has been approved. Such a public competitive process involves different levels of government approvals, and is time-consuming and may take a few years to complete. In addition, there are circumstances where some of the Group's projects are situated on agricultural land, woodland or unused land parcels, which would need to be re-zoned by the PRC government for the Group's use for power project development and operation. This is a preliminary step to be completed before the public trading process, increasing the amount of time required to obtain the land use rights to the land.

In view of the foregoing, it is not uncommon for most renewable energy companies to commence construction after the project is approved instead of commencing construction only after the land use rights have been obtained, and we have adopted such market practice as well.

Due to the inherent uncertainty arising from the auction / bid process that is required for the grant of land use rights under the relevant PRC laws and regulations, there is a theoretical possibility that the Real Property Ownership Certificate may not be obtained after the project is approved. However, based on industry practice, wind power and other renewable energy projects are typically required to complete preliminary procedures such as preliminary land approval and site selection before the construction land planning permit is granted. Such approvals are generally only issued if the land arrangement is already reasonably clear or feasible.

Moreover, local governments tend to support project companies in completing the required land procedures in accordance with law, particularly for projects aligned with national energy strategies and policies. Therefore, in practice, in the PRC's renewable energy industry, where enterprises have lawfully carried out construction and cooperate with the relevant authorities, the likelihood of ultimately failing to obtain the relevant Real Property Ownership Certificate once the construction land planning permit has been obtained is relatively low. Further, once the bidding, auction or quotation process has been completed and the state-owned land use rights transfer fee and relevant taxes (mentioned in step (b)(iii) above in this risk factor) have been paid, there will be no further legal obstacle to obtaining the Real Property Ownership Certificate.

In accordance with industry practice, our Group will generally obtain the construction land planning permit prior to commencing construction and will not commence construction prior to obtaining the construction land planning permit. Save as disclosed below in this risk factor, during the Period Under Review, our Group has not failed to obtain land use rights in respect of its power plant projects after obtaining the construction land planning permit for its power plant projects.

As at 30 June 2025, we or our landlord had not obtained proper land use rights for some of our land of our Principal Subsidiaries, which may subject us to return of the land illegally occupied in a timely manner, dismantlement or confiscation of the buildings and other facilities on the land, or fines. Under the Land Administration Law and the Land Administration Regulation, occupation of land without

approval may cause the departments of natural resources at and above the county level to order (i) the return of land illegally occupied, (ii) the dismantling or confiscation of the new buildings or structures on the land illegally occupied, and (iii) the imposition of a fine of not less than RMB100 nor more than RMB1,000 per square meter of illegally occupied land; if the act constitutes a crime, criminal liability shall be pursued in accordance with the law. For example, our Principal Subsidiaries incurred three (3) administrative penalties for the return of land illegally occupied, confiscation of the buildings and facilities on the land, seizure of assets on the land and cash fines totalling RMB5,328,657 in 2022 and 2023 due to title defects in respect of our land use rights. In particular, (1) Fuxin Xingda incurred an administrative penalty of RMB287,282 on 14 March 2023 due to the commencement of construction work on the agricultural land and unused land parcels without the construction land planning permit (建设用地规划许可证), which violated the Land Administration Law and the Land Administration Regulation; (2) Kaiyuan Julong incurred an administrative penalty of RMB522,019 on 23 September 2022 due to commencement of construction work on the agricultural land and unused land parcels without the construction land planning permit (建设用地规划许可证), which violated the Land Administration Law and the Land Administration Regulation; and (3) Shizong Juhe incurred an administrative penalty of RMB4,519,356 on 4 April 2023 due to the commencement of construction work on the agricultural land and unused land parcels without the construction land planning permit (建设用地规划许可证), which violated the Land Administration Law and the Land Administration Regulation. Such administrative penalties have been fully paid. During the Period Under Review and from 1 July 2025 up to the Latest Practicable Date, there have been no past incidents where the PRC Principal Subsidiaries were ordered to cease construction or suspend the business operations of their wind and solar power projects. As at 30 June 2025, we have paid such penalties and either returned the land illegally occupied or obtained Real Property Ownership Certificates for the land associated with the abovementioned penalties.

Some of the projects of our Principal Subsidiaries are situated on agricultural land, woodland or unused land parcels, which local farmers collectively owned and are in the process of being re-zoned for our use for power project development and operation. The leasehold right on such land collectively owned by local farmers is also subject to consent of at least two-thirds of the members of the rural collective economic organisation or villagers' representatives' assembly. Except in rare cases where we directly enter into land lease contract with the rural collective economic organisations or villagers' representatives' assembly, we generally entrust the local county or township government to lease the land and make compensation payments to these governments. The county or township government subsequently enters into separate lease agreements and distributes compensation payments to the rural collective economic organisations or villagers' representatives' assembly. We are unable to assure you that the government entrusted by us obtained all consents of at least two-thirds of the members of the respective rural collective economic organisation or villagers' representatives' assembly. However, the Company believes that such risks have been mitigated, taking into consideration that (1) the agreements have been executed by the relevant PRC Principal Subsidiary and the rural collective economic organisation, (2) the government of the relevant town has verified the land area acquired and leased under the agreement as well as the compensation amount for the corresponding land, (3) the compensation obligations have been fully paid and the relevant PRC Principal Subsidiary has received a receipt bearing the financial seal of the relevant rural collective economic organisation and (4) no legal disputes or proceedings have arisen concerning the agreements as of the Latest Practicable Date. However, as at the Latest Practicable Date, none of the PRC Principal Subsidiaries associated with such leases has received any notices from or been involved in disputes with local farmers or local governments. Under the Land Administration Law and the Land Administration Regulation, offenders who illegally occupy land without obtaining the necessary approvals shall be ordered to return the unlawfully occupied land. For those who violate land use plans by converting agricultural land into development land without authorisation, they will be required to demolish any newly constructed buildings and other facilities on the illegally occupied land within a specified timeframe and restore the original condition of the land. Additionally, a monetary fine will be imposed concurrently, ranging from no less than RMB100 to no more than RMB1,000 per square meter of the illegally occupied area. To the best of the knowledge of our Company, save for the aforementioned penalties as detailed in this risk factor that were imposed on and paid by Fuxin Xingda, Kaiyuan Julong and Shizong Juhe, our Company is not aware of any situation or circumstance that would cause the Group to be deemed to violate land use plans by converting agricultural land into development land without authorisation, and as such, the Group is not aware of any such potential penalties that could be imposed on the Group.

In addition, to the best of the Company's knowledge, (i) all our PRC Principal Subsidiaries have obtained the relevant Real Property Ownership Certificates for the land that has title defects; and (ii) there are no other title defects in relation to the land utilised by our PRC Principal Subsidiaries. We are currently in the process of applying for, and obtaining, Real Property Ownership Certificates for other subsidiaries of our Group for all other land that has title defects, although the timing of such approval differs from project to project. Although we have obtained the pre-examination opinion from the competent government authorities on the use of land for construction projects for the land with title defects, it is uncertain whether we can obtain the relevant certificates or permits in a timely manner, or at all. However, we will use our best efforts to observe and comply with such relevant laws and regulations. In relation to the Real Property Ownership Certificates of our Group which we are currently applying for, while we have not encountered any issues so far, there is no assurance that we will not encounter such issues in the future. To the best of our Company's knowledge, the non-compliances detailed in this risk factor have not had any material adverse implications to our Group's financials and/or operations.

In addition, we cannot assure you that our use and occupation of the relevant land and buildings will not be challenged. If we cannot obtain the relevant certificates or permits in a timely manner and our legal right to use or occupy the relevant land and buildings is challenged, our operations or construction on the affected land or in the affected buildings could be interrupted and we may have to vacate from the affected land and relocate our production facilities, which, in turn, could have an adverse effect on our business, financial condition, our ability to operate our wind / solar power plants or other assets and results of operations. Relocation may cause disruptions to our normal business operations resulting in loss of revenue and profits. We will also have to incur additional costs and expenses relating to reinstating the relevant premises prior to handing over and other relocation costs. There is no certainty that we will be able to find suitable replacement premises or lease new premises on terms favourable to us, or at all. If any of the foregoing instances were to occur, our business, financial position, results of operations and prospects may be materially and adversely affected.

Our assets and operations are subject to hazards customary to the electricity generation industry, and we may not have adequate insurance to cover all these hazards.

Our main assets include wind and solar power plants and interconnection infrastructure. Operating these assets involves risks and hazards that may adversely affect our operations, including equipment failures, natural disasters, environmental hazards and industrial accidents. These and other hazards can cause significant personal injury or death, severe damage to and destruction of property, plant and equipment, contamination of, or damage to, the environment and suspension of operations. We may also face civil liabilities or fines in the ordinary course of business as a result of damages suffered by third parties, which may require us to make indemnification payments in accordance with applicable laws.

We have purchased and maintained insurance policies to cover certain risks associated with the businesses of our size and the scope in which we operate in, including installation all-risks insurance, property all-risks insurance, machinery breakdown insurance, employers' liability insurance and public liability insurance. Please refer to the section entitled "*Business – Insurance*" of this Introductory Document for further details of our existing insurance coverage. While we believe such insurance coverage is commensurate with our business structure and risk profile, there is no assurance that our current insurance policies will fully insure us against all risks and losses that may arise in the future or that any such coverage will sufficiently cover any losses suffered by us. In addition, our insurance policies are subject to annual review by our insurers, and there is no assurance that we will be able to renew these policies on similar or otherwise acceptable or commercially reasonable terms, if at all.

While we believe that we have adequately insured our business and operations, and in amounts that are commercially appropriate levels, we may still be subject to liabilities for events that we are not fully insured, in excess of, or cannot obtain insurance on terms acceptable to us, which could result in our Group having to pay compensation or damages and/or incur loss of revenue and could have a material adverse effect on our financial position and results of operations. Such events may include, but are not limited to, product liability claims (as discussed above), regulatory actions, natural disasters, fires, pandemics and other public health crises, as well as acts of terrorism. Additionally, certain losses, such as those involving damage to our reputation, may not be easily quantifiable and may not be covered by our insurance policies.

Even in cases where our insurance policies provide coverage, recovering losses from insurers may be challenging and time-consuming. Moreover, we may not be able to recover the full amount of losses incurred, especially if the claims exceed the limits of our insurance coverage. If we are held liable for uninsured losses or if the amounts claimed exceed our insurance coverage limits, our business, financial performance, prospects, and results of operations could be materially and adversely affected.

Our electricity generation, our financial condition and results of operations depend on the operating performance of our wind and solar power plants.

As with all wind and solar power companies, our wind and solar power business and our ability to generate revenue depend upon the operating performance of our wind and solar power plants. A wind or solar power plant's non-performance or under-performance will have a direct negative effect on that wind or solar power plant's return on investment, financial condition and results of operations. The ongoing operation of our facilities involves risks, including the breakdown or failure of equipment or processes or performance below expected levels of output or efficiency due to wear and tear, latent defects, design error, operator error or force majeure events, among other things. Furthermore, some wind and solar power plants, in particular, plants using newly developed technology, have relatively short operating history, and the operating performance of our wind and solar power plants may not be comparable to that of wind and solar power plants with more established operating history. This could result in electricity generation falling short of projected levels or being more costly to generate than anticipated. Our inability to efficiently operate our wind power and solar power plants, manage capital expenditures and costs and generate earnings and cash flow from our asset-based businesses could have a material adverse effect on our business, financial condition, results of operations and prospects.

The subsidiaries of the State Grid collectively contribute to a significant portion of our revenue, and any decrease in purchases of electricity from, disruption or termination of our business relationship with any one or all of them could adversely affect our business and results of operations.

We mainly sell electricity to the State Grid and the local grid companies owned by the State Grid, all of which are owned by the PRC Government, which has a monopolistic position in the PRC electricity retail market. This is in line with other renewable energy generation companies operating in the PRC. According to the Renewable Energy Law and related regulations in force currently, grid companies in the PRC are required to purchase in full the on-grid electricity generated by renewable energy power plants which meet the grid connection technical standards in the areas covered by their grids. This is done by supplying electricity to the local grid companies owned by the State Grid or local government pursuant to PPAs that we enter into with them. As we currently do not directly supply electricity to any industrial or residential end-users, a significant portion of our revenue is derived from the State Grid and local grid companies that are directly or indirectly controlled by the PRC government, which would (i) fulfil their obligations under the electricity sale and purchase contracts and renewing such agreements; and (ii) comply with the applicable PRC regulatory framework by purchasing all the electricity generated from renewable energy sources and making full and timely payments in accordance with the PPAs and relevant PRC laws and regulations. During FY2022, FY2023, FY2024 and 6M2025, our electricity sales to our single largest customer, being the State Grid, accounted for approximately 84.6%, 73.0%, 67.8% and 62.8%, respectively, of our total revenue. Please refer to the section entitled "*Business – Major Customers*" of this Introductory Document for further details.

As we now focus on our Power Generation Business, we anticipate that revenue from the subsidiaries of the State Grid will continue to account for a significant portion of our total revenue for the foreseeable future. We typically enter into PPAs with a term of one (1) to four (4) years, with automatic renewal clauses for the sale of electricity to the various subsidiaries of the State Grid, and have not encountered any issues with the renewal of such contracts in the past since the commencement of our Group's business. In addition, each subsidiary of the State Grid operates independently, and the PPAs entered into by the Group and each such subsidiary are negotiated and entered into separately and independently. Nevertheless, an inability or failure by these grid companies to comply with their statutory purchase obligations and contractual commitments, a reduction in the demand of the State Grid and its subsidiaries for electricity, a material adverse change in their financial condition or a constraint on grid absorption ability could, in turn, have a material adverse effect on our business, financial condition and results of operations.

Our facilities are subject to governmental actions on urban planning and re-development which may result in expropriation and unilateral termination of our facilities without adequate compensation.

Our power plants in China are subject to political and regulatory uncertainties relating to urban planning, zoning and re-development, and may be affected by government actions to cancel contracts, renounce or default on contractual obligations, renegotiate terms unilaterally, or expropriate assets from time to time with little, if any, prior notice. There can be no assurance that we can acquire or maintain the required land as per our schedule of implementation. Furthermore, there can be no assurance that the operations of our remaining facilities will not be suspended or terminated by the government due to changes in urban planning or other regulatory or policy reasons in the future. In the event of any suspension or termination, we may experience a material decrease in revenues and profits. Moreover, legal or financial remedies available to compensate us for expropriation or other governmental takings may be inadequate, which could result in the total loss of an investment in our facilities. Any of these could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to stringent environmental regulations that may affect our profitability and results of operations.

Our operations are subject to environmental risks and hazards, and are regulated under various laws, rules and regulations imposed by the governments in the jurisdictions in which we operate regarding environmental matters, such as prevention of pollution of the air, earth, water and noise, the treatment and discharge of hazardous wastes and materials and environmental rehabilitation.

Existing regulations, and changes to such regulations, may present technical, regulatory and economic barriers to the construction and operation of our wind and solar power plants, which may significantly reduce our profitability. Installation of wind and solar power systems is subject to oversight and regulation in accordance with international and local ordinances, building codes, zoning, environmental protection regulation, utility interconnection requirements and other rules and regulations. For example, various governmental, municipal and other regulatory authorities subject the installation and operation of the plants, and any other component of our wind and solar power plants, to the issuance of relevant permits, licences and authorisations, as well as to ongoing oversight. If such permits, licences and authorisations are not issued in a timely fashion or are issued and later revoked, this could result in the interruption, cessation or abandonment of one (1) or more of our wind or solar power plants, or may require significant changes to one (1) or more of our wind or solar power plants, any of which may cause severe losses. Similarly, violation of such regulations may give rise to significant liability, including fines, damages, fees and expenses, and site closures. These governmental authorities may also impose a tax or other liens on the responsible parties to secure the parties' reimbursement obligations.

Increasingly stringent environmental laws, regulations and policies may be implemented in the future. These may result in increased costs of production arising from compliance with environmental laws and regulations. For example, our activities are likely to be covered by increasingly strict national and international standards relating to climate change and related costs, and may be subject to potential risks associated with climate change, which may have a material adverse effect on our business, financial condition or results of operations.

We may not always be able to comply with existing or future laws, regulations or policies in relation to environmental protection and rehabilitation economically or at all. We also cannot predict the amounts of any increased capital expenditures or any increases in operating costs or other expenses that we may incur to comply with applicable environmental, or other regulatory requirements, or whether these costs can be passed on to our counterparties through price increases. Should we fail to comply with any such existing or future laws, regulations or policies, we may be subject to penalties and liabilities under the laws and regulations of the jurisdictions where our wind and solar plants are located, including but not limited to, warnings, fines, prosecution, suspension of production and closure of the plants that fail to comply with the relevant environmental standards. In addition, we may also be subject to actions by environmental protection groups or other interested persons who object to the actual or perceived environmental impact of our operations or other actual or perceived condition at our plants. These

actions may delay or halt production or may create negative publicity related to our plants. Accordingly, our results of operations and financial position will be adversely affected in such circumstances.

Environmental hazards may occur in connection with our operations as a result of human negligence, *force majeure* or otherwise. The occurrence of any environmental hazards may delay power generation, increase production costs, cause personal injuries and/or property damage, result in liabilities incurred by our Group and/or damage our Group's reputation. Such incidents may also result in a breach of the conditions of our Group's environmental approvals and/or other consents, approvals or authorisations, which may result in fines, penalties, or even possible revocation of the permits, licences and rights granted to us. In any of such events, our business, results of operations and financial position will be adversely affected.

We have not encountered any material environmental hazards in connection with our power generation operations during the Period Under Review, but we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, financial position and results of operations.

Our historical financial performance and results of operations are not indicative of future performance and we may not be able to implement and maintain the historical income and profit level.

Our historical results and growth may not be representative of our future performance. Our financial performance or results of operations may not meet the expectations of the open market analysts or investors, which may result in a decrease in the future price of our Shares. Our revenue, income, expenses and results of operations may change in the future due to various factors beyond our control, such factors including general economic conditions, outbreaks of communicable diseases, or the change in governmental regulations and policies, each of which may affect our operations and/or our ability to control our costs and operational expenses.

The global and regional economies in the countries where we operate and our prospects may be adversely affected by natural disasters, acts of God and occurrence of epidemics.

Our business is subject to general economic and social conditions in the countries where we operate. Natural disasters, epidemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the countries where we have operations, which may result in material disruptions to our project construction and the operation of our power plants, which in turn may adversely affect our financial condition and results of operations.

Our Company may be adversely affected by the uncertain global economic outlook.

Our Group's business, financial condition, results of operations, profitability and prospects may be affected by general global economic conditions. In Asia and other emerging markets, some countries are experiencing inflationary pressure due to liberal monetary policies, supply chain disruptions and fluctuations in foreign investment flows. Additionally, geopolitical tensions have contributed to volatility in global financial markets and continue to create economic uncertainty in the United Kingdom, the European Union, and beyond. In addition, geo-political issues and controversy over trade barriers have triggered the implementation or proposed implementation of tariffs on certain imported products into the different nations. Fast changing trade policies could significantly undermine the stability of the global economies. The evolving macroeconomic environment, including potential recessions, rising interest rates, and global supply chain challenges, may further impact our business operations and financial performance.

Uncertainty in the global economic recovery has escalated fears and increased uncertainties in the global markets. It is difficult to predict how long such a situation will last and how our markets and businesses may be affected. Accordingly, these situations could potentially present risks to our Group, including an increase in interest expenses on our bank borrowings or a reduction of the amount of banking facilities currently available to us, thereby materially and adversely affecting our business operations and future financial performance. Given the uncertainties as to the future economic outlook, we cannot give any assurance that we will be able to maintain or continue to grow our revenue and profits, or that we will be able to react promptly to any change in economic conditions. In the event that

we fail to react promptly to the changing economic conditions, our performance and profitability could be adversely affected.

Further, demand for electricity in the markets in which we operate is generally influenced by both the local and global macroeconomic environment. The slowdown in the growth of the economy of the countries which we operate may result in reduced economic activities in all sectors, particularly in manufacturing, which in turn, will reduce overall demands for electricity. Any future global or economic uncertainty may cause a slowdown of economic activity in the markets in which we operate and, in turn, result in a decrease in the demand for and consumption of electricity by end users, which may adversely affect our business, financial condition and results of operations.

We may face challenges in expanding our business and operations internationally and our ability to conduct business in international markets may be adversely affected by legal, regulatory, political and economic risks.

We have expanded our solar power business overseas since 2012 through establishment of solar power plants in the U.S. and may enter into new markets to build and operate wind and solar power plants. We face challenges and risks associated with expanding our business and operations globally into new geographic markets. New geographic markets may have competitive conditions and regulatory or technological requirements that are more difficult to predict or satisfy than our existing markets. In certain markets, we have relatively little operating experience and may not benefit from any first-to-market advantages or otherwise succeed.

We may also face protectionist policies that could, among other things, hinder our ability to execute our business strategies and put us at a competitive disadvantage relative to domestic companies. Local companies may have a substantial competitive advantage because of their greater understanding of the local market. International expansion may also require significant capital investment, which could strain our resources and adversely impact current performance, while adding complexity to our current operations. We are subject to Hong Kong law, Bermuda law and PRC law in addition to the laws of the foreign countries in which we operate. If any of our overseas operations, or our associates or agents, violate such laws, we could become subject to sanctions or other penalties, which could negatively affect our reputation, business and operating results.

In addition, the industry that we operate in has a high barrier of entry, and we may face issues that could have a material adverse effect on our reputation, business and results of operations if we encounter issues including, but not limited to, the following:

- conforming our products to regulatory requirements;
- failure to attract and retain capable talents with international perspectives who can effectively manage and operate local businesses;
- challenges in identifying appropriate local business partners and establishing and maintaining good and long-term working relationships with them;
- challenges of maintaining efficient and consolidated internal systems, including IT infrastructure, and of achieving customisation and integration of these systems with the other parts of our technology platform;
- challenges in replicating or adapting our Company policies and procedures to operating environments different from that of our Company's present policies and procedures;
- national security policies that restrict our ability to utilise technologies that are deemed by local governmental regulators to pose a threat to their national security;
- political, social or economic instability in the jurisdictions that we operate;
- the need for increased resources to manage regulatory compliance across our international businesses;

- differing, complex and potentially adverse tax rules and regulations or other trade barriers or restrictions related to compliance obligations and consequences of non-compliance, and any new developments in these areas;
- business licensing or certification requirements of the local markets;
- exchange rate fluctuations;
- any regulations or sanctions imposed on our customers; and
- political instability and general economic or political conditions in particular countries or regions, including territorial or trade disputes, war and terrorism.

Failure to manage these risks and challenges could negatively affect our ability to expand our business and operations overseas as well as materially and adversely affect our business, financial condition and results of operations.

In addition, our financial results are reported in Renminbi, if we generate revenue or earnings in other currencies from overseas transactions, the translation of those results into Renminbi can result in a significant increase or decrease in the amount of those revenues or earnings. Furthermore, to the extent that we are unable to match revenue received in foreign currencies with costs paid in the same currency, exchange rate fluctuations between such currencies could have an adverse effect on our liquidity or our ability to efficiently utilise our working capital. Therefore, it is possible that volatility in currency exchange rates will have a material adverse effect on our financial condition or results of operations.

We may incur increased costs associated with compliance with laws of the differing jurisdictions in which we operate in, including any variation thereof.

Laws and regulations in other countries vary and change over time. These laws may also be complex or loosely defined, and at times conflicting in nature, intent, or interpretation, in certain countries in which we operate. Many are untested in courts and can have different interpretation and guidance, even from the same regulators, and enforcement of such laws may be inconsistent. An adverse development related to any of the abovementioned factors and other risks associated with international trade may have a material and adverse effect on our business, financial position, results of operations and prospects if our Company is unable to adapt our business strategies or operations accordingly.

We maintain business and contractual relationships with customers and suppliers across different jurisdictions. Our contracts with such customers and suppliers may therefore be subject to the laws of the countries where such customers and suppliers are situated within. There is no assurance that the relevant laws, regulations and guidelines in such jurisdictions will not change. In the event that there are any such changes in the relevant laws, regulations and guidelines applicable to our business, such changes in the relevant laws and regulations may impose additional obligations on top of our existing contractual obligations, or modify or change the nature of our contractual obligations with such customers and suppliers. We may also incur additional costs on compliance and obtaining advice on the interpretation of such changes in the relevant laws, regulations and guidelines, and on the possible effects on our contractual relationships with such customers and suppliers in the affected jurisdictions. If we fail to comply with such amended and/or new laws and regulations, our business, results of operations and financial position may be adversely affected.

We may be involved in disputes, legal, regulatory and other proceedings arising out of our operations from time to time, and may be liable to fines and/or other penalties in respect of contraventions of government regulations.

While we are not currently engaged in any material disputes or subject to any material litigation, we may, from time to time, be involved in disputes with various parties, including local governments, suppliers, customers and contractors. These disputes may lead to legal or other proceedings and may result in substantial costs, delays in our development and operation schedule, and the diversion of resources and management's attention, regardless of the outcome. We may also have disagreements with regulatory authorities in the course of our operations, which may subject us to administrative proceedings and unfavourable decisions that result in penalties or delay or disrupt the development

and operations of our facilities. In particular, resolution of disputes with any governmental entities may be costly and difficult. Any disputes with governmental entities could potentially lead to revocation of necessary permits or our PPAs with the state-owned grid companies if the disputes are not successfully resolved, and it may take a substantially longer period of time to resolve such disputes than disputes with private counterparties. Our remedies for contractual breaches by governmental counterparties may be limited or unavailable because the contractual parties are public entities, making it difficult and time consuming to enforce any claims against them through legal proceedings. In some circumstances, governmental entities may require us to change our construction methods, operation or other performance terms, or direct us to redesign our projects or purchase specific equipment or undertake additional obligations, thereby subjecting us to additional costs. Resolution of any disagreement with such counterparties with respect to such changes may be costly and time-consuming. If the governmental entities change or terminate any contract with us, our revenues could be reduced, our business plans may be adversely affected and our business, financial condition, results of operations and prospects may be materially affected. In addition, an unfavourable outcome of any particular matter or any future legal proceedings or costs related to the settlement of any such proceedings could have a material adverse effect on our business, financial position, results of operations and prospects.

In addition, our Group has in the past and may in the future contravene certain governmental regulations, such as late filings with the regulatory authorities in respect of the Group's corporate filings and failure to comply with certain tax regulations, which may result in administrative penalties, such as fines ranging between RMB10,000 and RMB100,000 being imposed or revocation of the entity's business licence in serious cases. For example, in respect of the PRC Principal Subsidiaries, during the Period Under Review, CCWPI was fined RMB15,692.41 for the failure to withhold or collect taxes that it should have withheld or collected as the withholding agent. Fuxin Xingda, Kaiyuan Julong and Shizong Juhe were collectively fined RMB5,328,657 for the illegal occupation of land. Please refer to the section entitled *"Risk Factors – Risks Relating to Our Business and Industry – We do not own all of the land and there are certain defects in the land use rights we obtained, which could adversely affect our operations and asset sales"* for further details. Such penalties have not had a material adverse impact on our business, financial position or results of operations. Although the administrative penalties imposed on our Group in the past did not have a material adverse effect on our Group's business, financial position or results of operations, and we have implemented corrective actions and proactive measures (namely, timely payment of the administrative fines imposed on the PRC Principal Subsidiaries mentioned in this risk factor and training of employees on the relevant regulatory requirements of the corporate filings of the Group in different provinces of China) to prevent recurrence of such incidents and breaches, it is highlighted that there are risks associated with non-compliance with the applicable laws and regulations which could subject us to governmental investigations, orders by the competent authorities for rectification, administrative penalties or other legal proceedings, and we cannot assure you that any future occurrence of such regulatory actions will not have a material adverse effect on our business, financial position, results of operations and prospects.

We are or may be subject to risks associated with strategic alliances or acquisitions.

We have entered into and may in the future enter into strategic alliances, including joint ventures or minority equity investments, with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the third party and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. In addition to possible shareholder approval, we may have to obtain approvals and licences from relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increased delay and costs, and may derail our business strategy if we fail to do so. Furthermore, past and future acquisitions and the subsequent integration of new assets and businesses into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Acquired assets or businesses may not generate the financial

results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortisation expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and completing acquisitions may be significant.

The delay between making significant upfront investments in our wind and solar power plants and receiving the corresponding revenue could materially and adversely affect our liquidity, business and results of operations.

When we develop a wind or solar power plant, there is a period of generally several months or even years between our initial investment and the point when we begin to receive on-grid tariffs from the sale of electricity generated by such power plant from the relevant government authorities. Such initial investment includes, without limitation, legal, accounting and other third-party fees, costs associated with feasibility studies, environmental impact assessments, payments for land use rights, government permits or other payments that may be non-refundable. We have historically relied on our cash flow, bank loans, issuances of corporate bonds, equity financing and financial leases to cover the costs and expenses incurred until the completion of the construction of our power plants.

Wind and solar power plants generate revenue only after becoming commercially operational after the electricity generated can be transmitted and thus sold to the power grid. There may be a long delay from the initial land and interconnection assessments to the actual commencement of construction, especially when we must obtain permits directly from regulators and site control rights directly from third-party landowners. Between our initial investments in wind and solar power plants and their connection to the transmission grids, there may also be other adverse developments to the commercial or operational viability of such power plants. The time gap between our upfront investments and actual generation of revenue, or any added delay in between due to unforeseen events, could also put strains on our liquidity and resources, and materially and adversely affect our business, financial condition, results of operations and prospects.

RISKS RELATING TO DOING BUSINESS IN CHINA

Currently, substantially majority of our assets are located in the PRC and our revenue is likewise currently sourced almost exclusively from the PRC. Accordingly, our results of operations, financial position and prospects are directly affected by the economic, political and legal developments in the PRC.

It may be difficult to effect service of process on our Directors or Executive Officers who reside in the PRC or to enforce any judgments against us or them in the PRC that are obtained from non-PRC courts.

A majority of our senior management members reside in mainland China, and substantially all of their and our assets are located in mainland China. Therefore, it may be difficult for investors to effect service of process upon them or us inside mainland China, or to enforce any judgments against them or us in mainland China that are obtained from non-PRC courts. Although an agreement was reached between China and Hong Kong on reciprocal recognition and enforcement of judgments of civil and commercial cases on 14 July 2006, effective 1 August 2008 and amended on 1 January 2019, which will become effective after completion of relevant procedures, the agreement has been subject to restrictions, such as being limited to civil and commercial cases and civil damages awarded in criminal cases. On 18 January 2019, the SPC and the Hong Kong Government jointly signed the PRC-HK 2019 Arrangement. The PRC-HK 2019 Arrangement extends the scope of judicial assistance, and became effective on 29 January 2024 simultaneously in both Hong Kong and the PRC. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of Bermuda, Singapore, the United States, the United Kingdom, Japan and many other developed countries. Therefore, recognition and enforcement in China of judgments of a court outside the PRC in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

Changes in economic, social and political policies of the PRC government may have a material adverse effect on our business.

Our business in the PRC is carried out through our PRC subsidiaries. For FY2022, FY2023, FY2024 and 6M2025, 98.8%, 98.9%, 99.0% and 99.0% of our Group's total revenue was derived from the PRC market respectively. Our Directors anticipate that the PRC will continue to be a significant sales and production base of our Group in the near future. Our Group is therefore influenced by economic, social, political and legal developments in the PRC, including the level of development, growth rate, foreign exchange regulations, capital reinvestment, allocation of resources, rate of inflation and trade balance position.

Before commencement of the reform and opening-up policy in 1978, the PRC mainly operated under a planned economy. Since then, the PRC government has been unremittingly reforming the PRC's economic system and has also begun to reform the government structure in recent years. These reforms have brought significant economic growth and social progress. The economic reform policies, since the late 1970s, have constantly emphasised the role of autonomous enterprises and market mechanisms, especially in our industry. While we believe that such reforms will have a positive impact on our overall and long-term development, we cannot predict whether our future business, results of operations, or financial position will be subject to any adverse impact arising from changes in the PRC's political, economic, and social conditions, laws, regulations, and policies.

Our ability to continue expanding our business depends on a number of factors, including the overall economic and capital market conditions, and the availability of credit to banks and other borrowers. More stringent borrowing policies may, amongst other things, affect our ability to secure financing, which may adversely affect our growth and financial position. We cannot guarantee that further measures to adjust the growth of borrowing will not be implemented in a way that can adversely affect our development and profitability over time.

China's economy has grown significantly in the past few decades. There is no guarantee that its growth in the future will be maintained at a similar rate, or whether it will continue to grow. The policies of the PRC government may have a material and adverse effect on our products, our business, financial condition, results of operations and prospects.

PRC foreign exchange regulations may affect our ability to receive dividends and other payments from our PRC subsidiaries.

In the PRC, all individuals and entities are subject to the PRC rules and regulations on currency conversion, including the Regulation for Foreign Exchange Controls in the PRC, which is regulated by the SAFE. The ability of our PRC subsidiaries to pay dividends or to repatriate profits to us may be affected by changes in the PRC foreign exchange control. The PRC government imposes controls on the convertibility between the RMB and foreign currencies and, in certain cases, the remittance of currency out of China. We receive a large part of our revenues in RMB. Our income at the holding company level may be primarily derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us or otherwise satisfy their foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. Since 2016, the PRC government has tightened its foreign exchange policies again and increased scrutiny of major outbound capital movement. More restrictions and a substantial vetting process have been put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders, including holders of our Shares. Please refer to the section entitled "Exchange Rates and Exchange Controls – Exchange Controls" of this Introductory Document for further details.

Our PRC-incorporated subsidiaries may incur liability pursuant to unauthorised actions by their legal representatives.

Our PRC-incorporated subsidiaries are required by law to each appoint a legal representative to be the responsible person to perform the duties and powers on their behalf. The legal representative is authorised to perform all acts regarding the general administration of the PRC subsidiaries and can also execute powers of attorney and execute any legal transaction that is within the nature and the scope of business of the company. In the event that the legal representative of our PRC-incorporated subsidiaries performs any unauthorised actions in contravention of the law and/or their contractual obligations purportedly on behalf of the respective subsidiary, there is a risk that our Group and/or our PRC-incorporated subsidiaries may be held liable for such acts. The legal representative may be removed with or without their consent, but changing the registration of the legal representative can present practical issues, such as the need to use the company chop and original business licence. If a company loses control of its chop or business licence, it may take legal action to seek their return or directly apply to the local market supervision and administration authority where it is registered for new ones. While measures and controls have been implemented in order to mitigate such a risk, there is no assurance that the legal representatives will adhere to such measures and control procedures. Further details on the measures that have been taken in relation to the current legal representatives of our PRC subsidiaries are set out in the section entitled “*Management and Corporate Governance – Legal Representatives*” of this Introductory Document. In the event that the legal representatives incur liability without authorisation on behalf of our Group and/or our PRC-incorporated subsidiaries, our business operations, financial position, results of operations and prospects may be materially and adversely affected.

There were no such past incidents which had a material adverse impact on our Group’s business operations and/or financials, but we cannot assure you that any future occurrence of such events will not have a material adverse effect on our business, financial position and results of operations.

Increases in labour costs and enforcement of stricter labour laws and regulations in the PRC may adversely affect our business and our profitability.

The average wage in China has increased in recent years with the growth in China’s overall economy. The average wage level for our employees has also increased in recent years. We expect that our labour costs, including wages and employee benefits, will increase. Unless we are able to pass on these increased labour costs to our customers, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labour contracts with our employees, limitation with respect to utilisation of labour dispatching, applying for foreigner work permits, labour protection and labour condition and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labour Contract Law (《中华人民共和国劳动合同法》) and its implementation rules, employers are subject to stricter requirements in terms of signing labour contracts, minimum wages, paying remuneration, determining the term of employee’s probation and unilaterally terminating labour contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labour practices, the PRC Labour Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

Companies registered and operating in China are required under the Social Insurance Law (last amended in 2018), the Regulations on the Administration of Housing Funds(《住房公积金管理条例》) (last amended in 2019) and other related laws and regulations (regulated by the social insurance is regulated by the Ministry of Human Resources and Social Security of the PRC and its local counterparts, and the housing funds is regulated by the Ministry of Housing and Urban-Rural Development of the PRC and its local housing fund administration centres) to apply for social insurance registration and housing fund deposit registration within 30 days of their establishment at the company level, regardless whether they hire employees or not. Further, they are required to apply for the social insurance registration and housing fund deposit registration for each employee within 30 days of the commencement of employment, and to pay for their employees’ different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to the extent required by law. However, certain of our PRC Principal Subsidiaries do not hire any employees and are not a party to any employment agreement. These PRC Principal

Subsidiaries are only engaged in power generation activities for the Group, and mainly rely on power generation technology and equipment to function and operate. The operational matters of such PRC Principal Subsidiaries are managed and handled by the employees of investment subsidiaries of our Company, namely CCWPI and Yongzhou Jiepai. Such employees of Yongzhou Jiepai and CCWPI will also (i) liaise with the operations and maintenance services provider (i.e. Century Concord O&M) on the operations and maintenance of the power generation equipment under such PRC Principal Subsidiaries which do not have any employees; and (ii) supervise such operations and maintenance works. As such, such PRC Principal Subsidiaries that do not hire any employees and are not a party to any employment agreement, have not applied for and obtained the registrations at the company level, as the local PRC governments prohibit entities without employees from social insurance registration and housing fund deposit registration even though the Social Insurance Law and the Regulations on the Administration of Housing Funds stipulate that entities shall apply for social insurance registration and housing fund deposit registration within 30 days of their establishment at the company level. We could be subject to orders by the competent labour authorities for rectification (namely, to complete the registration and open the company accounts for social insurance and housing fund within the prescribed time), and failure to comply with the orders may further subject us to administrative fines.

Pursuant to the Social Insurance Law, if an employer fails to register for social insurance, the social insurance administrative department shall issue an order requiring the employer to rectify the situation within a specified time frame. If the employer fails to make the necessary corrections within this period, it will be subject to fines ranging from one (1) to three (3) times the amount of social insurance premiums that would have been due. Additionally, both the directly responsible individual in charge and other individuals who are directly accountable may face fines between RMB500 and RMB3,000. However, as the relevant PRC Principal Subsidiaries do not have any employees and there are thus no social insurance premiums payable by them, even if the authorities were to request or order the relevant PRC Principal Subsidiary to apply for registration and the relevant PRC Principal Subsidiary is not able to make the necessary corrections, there would be no or minimal penalty payable by it. Pursuant to the Regulations on the Administration of Housing Funds, if an entity fails to register housing provident fund contributions or establish housing provident fund accounts for its employees, the housing provident fund management centre shall issue an order requiring the employer to rectify the situation within a specified time frame. If the employer failed to make the necessary corrections within this period, a fine ranging from RMB10,000 to RMB50,000 will be imposed. As at the date of this Introductory Document, none of our Principal Subsidiaries have been ordered by the competent labour authorities to make rectifications. If our Principal Subsidiaries hire employees in future or are ordered to complete the registrations of social insurance and housing fund by the competent authorities, we will be required to do so within the prescribed time periods, however, there can be no assurance that we will be able to do so in accordance with applicable laws.

As at 30 June 2025, there are no material non-compliances of our Principal Subsidiaries with labour-related laws and regulations of the PRC including those relating to obligations to make social insurance payments and contribute to the housing provident funds. As the interpretation and implementation of labour-related laws and regulations are still evolving, our employment practices may violate labour-related laws and regulations in China, which may subject us to labour disputes or government investigations. We cannot assure you that we have complied or will be able to comply with all labour-related law and regulations including those relating to obligations to make social insurance payments and contribute to the housing provident funds. If we are deemed to have violated relevant labour laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations will be adversely affected.

China's M&A Rules and certain other PRC regulations establish complex procedures for certain acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

A number of PRC laws and regulations have established procedures and requirements that could make merger and acquisition activities in China by foreign investors more time-consuming and complex. For instance, the Anti-Monopoly Law of the PRC, promulgated by the SCNPC on 30 August 2007, amended on 24 June 2022, and became effective on 1 August 2022, requires when a concentration of business operators occurs by way of "merger of business operators", "acquiring control over other business operators by virtue of acquiring their equities or assets", "acquiring control over other business operators or possibility of exercising decisive influence on other business operators by virtue of contract

or any other means”, and such concentration reaches the certain thresholds, the business operators should lodge a declaration in advance with the SAMR, otherwise the concentration may not be implemented.

In addition to the Anti-Monopoly Law of the PRC, there are other laws and regulations, such as the Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (《关于外国投资者并购境内企业的规定》), or the M&A Rules, adopted by six (6) PRC governmental and regulatory agencies in 2006 and amended in 2009, and the Measures for the Security Review of Foreign Investment (《外商投资安全审查办法》), or the “**Security Review Measures**”, adopted by the NDRC and the MOFCOM in 2020. These laws and regulations impose requirements in some instances that the NDRC and the MOFCOM shall be notified if the foreign investment falls within certain scopes as described in such laws and regulations. Moreover, the Security Review Measures specify that foreign investment that has or possibly has an impact on state security shall be subject to security review by the NDRC and the MOFCOM. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the relevant regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from SAMR, the NDRC, and the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

The interpretation and enforcement of PRC laws shall be in accordance with laws and regulations for the time being in force. Any non-compliance with laws and regulations may have a material adverse impact on us and limit the legal protection you can obtain.

We mainly conduct our businesses and operations in the PRC, where we are regulated by the PRC laws, rules and regulations. In addition, our overseas holding companies and certain transactions among these companies may be subject to the restriction of various laws and regulations in the PRC. The legal system in the PRC is based on written regulations and judicial interpretation. While references to previous court decisions can be cited, the PRC does not adopt the common law system and hence, the precedent value of case law is limited. However, since PRC administrative and court authorities have reasonable discretion strictly under the PRC laws and regulations in interpreting and implementing statutory and contractual terms, it may pose reasonable uncertainties when evaluating the outcome of administrative and court proceedings and the level of protection we enjoy.

Since the late 1970s, the PRC government has greatly improved the PRC laws and regulations in order to protect and facilitate various forms of foreign investment. Since some of these laws, rules and regulations are relatively new and court decisions are limited, the interpretation and enforcement of these laws, rules and regulations are subject to the laws and regulations for the time being in force.

We may be adversely affected by the complexity, uncertainties and changes in PRC regulations on green power and renewable energy related business, and other business carried out by our PRC subsidiaries.

We operate in the renewable energy industry. Several PRC regulatory authorities, such as the SAMR, the NDRC, the MIIT, and the MOFCOM, oversee different aspects of our operations, and we are required to obtain a wide range of government approvals, licences, permits and registrations in connection with our operations. In addition, the PRC government may enact new laws and regulations that require additional licences, permits, approvals and/or registrations for the operation of any of our existing or future business. Our Group has obtained all the requisite approvals, licences, permits and registrations and complied with the applicable laws and regulations that materially affect our operations and/or financials. However, we cannot assure you that we will be able to maintain, renew or obtain permits, licences, registrations, approvals and/or business licences covering sufficient scope of business in a timely manner or at all.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental regulation of currency conversion may delay or prevent us from using the proceeds of any offshore equity offerings subsequent to the Introduction to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Under PRC laws and regulations, we are permitted to utilise the proceeds of any financing outside China to fund our PRC subsidiaries by making loans to or additional capital contributions to our PRC subsidiaries, subject to applicable government or bank registration, statutory limitations on amount and approval requirements. For more details, see the section entitled "*Regulations – The PRC – Regulations on Foreign Exchange*" of this Introductory Document. Although SAFE has been simplifying and improving the foreign exchange capital settlement management for foreign-invested enterprises in recent years, from delegating the authenticity and compliance review authority to banks to allowing eligible enterprises nationwide to use capital income from capital contributions, foreign debts, and overseas listings for domestic payments without providing authenticity certification materials to banks on a case-by-case basis in advance. We are not in any position to guarantee that these PRC laws and regulations will not limit our ability to use Renminbi converted from the net proceeds of any financing outside China to fund the establishment of new entities in China by our PRC subsidiaries, to invest in or acquire any other PRC companies through our PRC subsidiaries, or to establish new variable interest entities in China. Moreover, we cannot assure you that we will be able to complete the necessary registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we received or expect to receive from our offshore offerings and to capitalise or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Further, if our Shareholders who are PRC residents or entities do not complete their registration with the local SAFE branches, our PRC subsidiaries may be prohibited from distributing their profits and any proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. Moreover, failure to comply with the SAFE registration requirements could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interests in our Company, nor can we compel our beneficial owners to comply with SAFE registration requirements. As a result, we cannot assure you that all of our Shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make or obtain, any applicable registrations or approvals required by the SAFE regulations. Failure by such Shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Under SAFE regulations, PRC residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. See the section entitled "*Regulations – The PRC – Regulations on Employment and Social Welfare – Employee Stock Incentive Plan*" of this Introductory Document. We and our PRC resident employees who participate in our share incentive plans are subject to these regulations since we became a public company listed in Hong Kong. If we or any of these PRC resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our Directors, Executive Officers and employees under PRC law.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavourable tax consequences to us and our non-PRC Shareholders.

Under the EIT Law and EIT Implementation Regulations, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a PRC resident enterprise. The implementation rules define the term "de facto management body" as the body that exercises full and

substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In 2009, the STA issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect the STA’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organisations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that none of our entities outside of China are a PRC-resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities, and uncertainties remain with respect to the interpretation of the term “de facto management body”. If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we will be subject to the enterprise income tax on our global income at the rate of 25% and we will be required to comply with PRC enterprise income tax reporting obligations. In addition, we may be required to withhold a 10% withholding tax from interest or dividends we pay to our Shareholders that are non-PRC resident enterprises, including the holders of our Shares. In addition, non-PRC resident enterprise Shareholders may be subject to PRC tax at a rate of 10% on gains realised on the sale or other disposition of our Shares, if such income is treated as sourced from within the PRC. Furthermore, if PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, interest or dividends paid to our non-PRC individual Shareholders and any gain realised on the transfer of the Shares or ordinary shares by such holders may be subject to PRC tax at a rate of 20% (which, in the case of interest or dividends, may be withheld at source by us), if such gains are deemed to be from PRC sources. These rates may be reduced by an applicable tax treaty, but it is unclear whether our non-PRC Shareholders would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC, in the event that we are treated as a PRC resident enterprise.

We may not be able to obtain certain benefits under relevant tax treaties on dividends paid by our PRC subsidiaries to us through our Hong Kong subsidiary.

We are a holding company incorporated under the laws of Bermuda and as such rely on dividends and other distributions on equity from our PRC subsidiaries to our Hong Kong subsidiary, CCH Investment Ltd., to satisfy part of our liquidity requirements. Pursuant to the EIT Law, a withholding tax rate of 10% currently applies to dividends paid by a PRC “resident enterprise” to a foreign enterprise investor, unless any such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for preferential tax treatment. Pursuant to the Double Taxation Avoidance Arrangement, such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a PRC enterprise. Furthermore, the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under the Double Taxation Avoidance Arrangement (《非居民纳税人享受协定待遇管理办法》), which became effective in January 2020, requires non-resident enterprises to determine whether they are qualified to enjoy the preferential tax treatment under the tax treaties and file relevant reports and materials with the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. See the section entitled “Taxation – PRC Taxation” of this Introductory Document. In the future, we intend to re-invest all earnings, if any, generated from our PRC subsidiaries for the operation and expansion of our business in China. Should our tax policy change to allow for offshore distribution of our earnings, we would be subject to a significant withholding tax. Our determination regarding our qualification to enjoy the preferential tax treatment could be challenged by the relevant tax authority, and we may not be able to complete the necessary filings with the relevant tax authority and enjoy the preferential withholding tax rate of 5% under the arrangement with respect to dividends to be paid by our PRC subsidiaries to our Hong Kong subsidiary, CCH Investment Ltd..

Failure of our PRC resident beneficial owners to fulfil their registration obligations under PRC regulations relating to the establishment of offshore special purpose companies may materially and adversely affect our business operations.

On October 21, 2005, SAFE issued the Circular Regarding Issues on Foreign Exchange Administrative Measures on Financing and Round-trip Investment by PRC Residents through Offshore Special Purpose Vehicles (《关于境内居民通过境外特殊目的公司融资及返程投资外汇管理有关问题的通知》) ("SAFE Circular 75"), which became effective on 1 November 2005. On 4 July 2014, SAFE Circular 75 was superseded by the Circular on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles (《关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知》) ("SAFE Circular 37") issued by SAFE. SAFE Circular 37 and its implementing rules require PRC residents, including both legal and natural persons, to register with the local banks designated by local SAFE branches before making capital contribution to any offshore SPV with onshore or offshore assets and equity interests legally owned by PRC residents. In addition, any PRC resident who is the shareholder of an offshore SPV is required to update its SAFE registration with the local banks with respect to that offshore SPV in connection with change of basic information of the offshore SPV, such as its company name, business term, shareholding by such PRC resident, merger, division and, with respect to such PRC resident, in case of any increase or decrease of capital in the offshore SPV, or transfer of shares or swap of shares by such PRC resident. Failure to comply with the required SAFE registration or update requirements described above may result in restrictions being imposed on the foreign exchange activities of the PRC subsidiaries of such offshore SPV, including increasing the registered capital of, making payment of dividends and other distributions to, and the receipt of capital inflows from, the offshore SPV. Failure to comply with Circular 37 may also subject relevant PRC residents or the PRC subsidiaries of such offshore SPV to penalties under the PRC foreign exchange administration regulations for evasion of applicable foreign exchange restrictions.

Our PRC resident beneficial owners, through certain offshore SPVs, indirectly hold shares of equity in the Company, a company registered in Bermuda and listed on the HKSE. Not all of our PRC resident beneficial owners may have duly fulfilled their registration obligations under Circular 37. In case of failure of registration with SAFE under Circular 37 by our PRC resident beneficial owners, our PRC subsidiaries may not be able to remit foreign currency payment out of China, which may materially and adversely affect our business operations and financial status and our ability to declare and pay dividends.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

In February 2015, the STA issued the Circular on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises (《关于非居民企业间接转让财产企业所得税若干问题的公告》) ("STA Circular 7"). STA Circular 7 extends the STA's tax jurisdiction to not only indirect transfers but also transactions involving the transfer of other taxable assets, through the offshore transfer of a foreign intermediate holding company. In addition, STA Circular 7 provides certain criteria on the assessment of what constitutes reasonable commercial purposes and has introduced safe harbours for internal group restructurings and the purchase and sale of equity through a public securities market. STA Circular 7 also brings challenges to both the foreign transferor and transferee (or other person who is obligated to pay for the transfer) of the taxable assets. Where a non-resident enterprise conducts an "indirect transfer" by transferring the taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise being the transferor, or the transferee, or the PRC entity which directly owned the taxable assets may report to the relevant tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. On 17 October 2017, the STA issued the Circular on Issues of Tax Withholding regarding Non-PRC Resident Enterprise Income Tax (《关于非居民企业所得税源泉扣缴有关问题的公告》) ("STA Circular 37"), which came into effect on 1

December 2017 and was amended on 15 June 2018. STA Circular 37 further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

We face uncertainties on the reporting and consequences of future private equity financing transactions, share exchanges or other transactions involving the transfer of shares in our Company by investors that are non-PRC resident enterprises. The PRC tax authorities may pursue such non-PRC resident enterprises with respect to a filing or the transferees with respect to withholding obligations, and request our PRC subsidiaries to assist in the filing. As a result, we and non-PRC resident enterprises in such transactions may become at risk of being subject to filing obligations or being taxed under STA Circular 7 and STA Circular 37, and may be required to expend valuable resources to comply with them or to establish that we and our non-PRC resident enterprises should not be taxed under these regulations, which may have a material adverse effect on our financial condition and results of operations.

If the custodians or authorised users of controlling non-tangible assets of our Company, including our corporate chops and seals, fail to fulfil their responsibilities, or misappropriate or misuse these assets, our business and operations could be materially and adversely affected.

Under PRC laws, legal documents for corporate transactions are executed using the chops or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant branch of the SAMR.

Although we usually utilise chops or seals to enter into contracts, the designated legal representatives of each of our PRC subsidiaries have the apparent authority to enter into contracts on behalf of such entities without chops or seals and bind such entities. All designated legal representatives of our PRC subsidiaries are members of our senior management team who have signed employment or service agreements with us or our PRC subsidiaries under which they agree to abide by various duties they owe to us. In order to maintain the physical security of our chops and chops of our PRC entities, we generally store these items in secured locations accessible only by the personnel in the legal or finance department of each of our subsidiaries. Although we monitor such authorised personnel, there is no assurance that such procedures will prevent all instances of abuse or negligence. Accordingly, if any of our authorised personnel misuse or misappropriate our corporate chops or seals, we could encounter difficulties in maintaining control over the relevant entities and experience significant disruption to our operations. If a designated legal representative were to misuse his authority to gain access to the chops in a bid to obtain control over any of our PRC subsidiaries, we or our PRC subsidiaries would need to pass a new shareholders or board resolution to designate a new legal representative and we would need to take legal action to seek the return of the chops, apply for new chops with the relevant authorities, or otherwise seek legal redress for the violation of the legal representative's fiduciary duties to us, which could involve significant time and resources and divert management attention away from our regular business. In addition, the affected entity may not be able to recover corporate assets that are sold or transferred out of our control in the event of such a misappropriation if a transferee relies on the apparent authority of the representative and acts in good faith.

While there were no such past incidents which had a material adverse impact on our Group's business operations and/or financials, this is no assurance that our corporate chops and seals will not be misused or misappropriated.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

General macroeconomic conditions may materially and adversely affect the price and liquidity of our Shares.

The Hong Kong financial and securities market, where our Shares are primarily listed, is directly affected by a variety of global and local political and economic factors including macroeconomic and monetary policies, currency and interest rate fluctuations and other socio-political elements.

Any sudden downturn or unexpected change in the global, regional or local economic, political, social or legal environment, such as trade wars, political instability or civil unrest, could adversely affect investor sentiments in the financial markets. These factors, which are beyond our control, may cause severe fluctuations in market conditions and economic sentiments, potentially resulting in prolonged

periods of reduced market activity. Such adverse conditions could adversely affect the securities market, and thereby impacting the price and liquidity of our Shares.

Our substantial shareholders will be able to exercise substantial control over our Company and may have interests that are different from those of our other Shareholders.

Subject to our Bye-Laws and applicable laws and regulations, our substantial shareholders will, through their representatives on our Board of Directors or by voting at the general meetings of Shareholders, be able to influence our major corporate policy decisions, including our senior management, business strategies and policies, the timing and amount of dividend distributions, any plans relating to material property transactions, major overseas investments, mergers and acquisitions, issuances of securities and adjustments to our capital structure, amendment to our Bye-Laws and other actions that require the approval of our Board of Directors and Shareholders. The interests of our substantial shareholders may not necessarily be aligned with the interests of our Shareholders as a whole, and this concentration of ownership may also have the effect of delaying, deferring or preventing a change in control of our Company. We cannot guarantee that our substantial shareholders will influence our Company to pursue actions that are in the best interests of the other Shareholders. See the section entitled "*Share Ownership – Directors, Chief Executive and Substantial Shareholders' Interests and Short Positions in our Shares and Underlying Shares of our Company*" of this Introductory Document for further details.

We are incorporated in Bermuda and our Shares have a primary listing on the HKSE and are subject to Bermuda laws and regulations, which may differ from laws and regulations applicable to Singapore-incorporated companies listed on the SGX-ST.

Our corporate affairs are governed by our Memorandum of Association and Bye-Laws, Bermuda laws and the Hong Kong Listing Rules applicable to companies listed on the HKSE. The rights of our Shareholders and the responsibilities of our Board of Directors and management under the Bermuda Companies Act may differ from those applicable to a company incorporated in Singapore. Our public Shareholders may have difficulty in protecting their interests in connection with actions taken by our Board of Directors, management or controlling shareholders as compared with shareholders of a company incorporated in Singapore. See the section entitled "*Appendix C – Comparison of Selected Bermuda Corporate Law Provisions and Singapore Corporate Law Provisions*" to this Introductory Document for a comparison of key differences between the Bermuda Companies Act and the Singapore Companies Act.

Further, the nature and content of information required to be publicly disclosed under the Hong Kong Listing Rules may differ from the public disclosures made by companies listed on the SGX-ST. These differences may include, among others, differences with respect to the disclosure of beneficial ownership of our equity securities and related party or connected transactions.

As the listing of our Shares on the SGX-ST will be a secondary listing, we are subject to primary regulatory oversight by the HKSE. Under the Listing Manual, as a foreign issuer with a secondary listing on the SGX-ST, we will generally not be required to comply with the provisions of the Listing Manual, provided that we undertake to: (a) release all information and documents in English to the SGX-ST at the same time as they are released to the home exchange; (b) inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of the home exchange; and (c) comply with such other Listing Rules as may be applied by the SGX-ST from time to time (whether before or after listing). For example, certain transactions we propose to enter into with parties related to our Group will not be subject to the SGX-ST's requirements in respect of interested person transactions. Instead, such transactions will be subject to the Hong Kong Listing Rules in respect of connected transactions.

The role of the SGX-ST in performing any regulatory, disciplinary or enforcement function in respect of our Company may also be limited. Accordingly, CDP Depositors may have difficulty in protecting their interests as compared with shareholders of a company with a primary listing on the SGX-ST.

We may not be able to pay dividends.

Our ability to declare dividends in relation to our Shares will depend on our future financial performance which, in turn, depends on our ability to successfully implement our business strategies as well as

financial, competitive, regulatory and general economic conditions, and other factors specific to our industry or specific projects, many of which are beyond our control. Further, our ability to pay dividends will be substantially affected by the ability of our subsidiaries and associated companies to declare and pay us dividends or other distributions. The ability of our subsidiaries and such entities to declare and pay dividends or other distributions to us will in turn be dependent on the profits, cash income of and cash available to such subsidiary or entity and may be restricted or subject to conditions under applicable laws, regulations or contractual agreements.

There are covenants under the terms of certain existing bank facilities of our subsidiaries and associated companies and covenants under the terms of certain financial leasing contracts entered into by our subsidiaries and associated companies, which impose restrictions on the ability of these entities to distribute dividends or distributions to our Company upon the occurrence of specified events such as where interest payments under the relevant facility are in arrears or prior to the full repayment of the outstanding amounts owed under the relevant facility. Under the terms of certain of our existing term loan facilities and financial leasing contracts, if the principal and interest are not paid to the lender on a timely basis, we may not declare and pay dividends unless consent is given by the lenders.

Any future declarations and payments of dividends will be at the absolute discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant.

Exchange rate fluctuations may adversely affect the value of our Shares and any dividend distribution.

Our Shares will be quoted in HK\$ on the HKSE and in Singapore dollars on the SGX-ST. Dividends, if any, with respect to our Shares will be declared in HK\$ and converted to Singapore dollars for payment in relation to Shares which are listed on the SGX-ST. Fluctuations in the exchange rate between the RMB and the Singapore dollar will affect, among other things, the value of the dividends received in Singapore dollars by investors of our Shares listed on the SGX-ST. See the section entitled "*Exchange Rates and Exchange Controls – Exchange Rates*" of this Introductory Document for further information regarding fluctuations in the value of the RMB relative to the Singapore dollar.

The Introduction may not result in an active or liquid market on the SGX-ST for our Shares.

As at the date of this Introductory Document, there is no public market for our Shares in Singapore. We have received an eligibility-to-list letter from the SGX-ST to have our Shares listed on the SGX-ST. The listing and quotation of our Shares on the SGX-ST does not guarantee that a trading market for our Shares on the SGX-ST will develop or the liquidity of that market for our Shares. Although we currently intend that our Shares will remain listed on the HKSE and the SGX-ST, there is no assurance of the continued listing of our Shares on the SGX-ST.

Once our Shares are tradeable on the SGX-ST, the trading prices of our Shares on the HKSE and the SGX-ST respectively may differ significantly due not only to currency fluctuations but also due to differences in market liquidity of our Shares, trading participants and investor bases, exchange trading systems and other factors outside our control. There is no guarantee that the trading prices of our Shares on the SGX-ST will be equivalent to the trading prices of our Shares on the HKSE.

Our post-Introduction Share price may not be reflective of our value and our Share price may be volatile in the future.

The listing will be by way of an introduction. Unlike a listing undertaken with an initial public offering, there will not be a price-discovery process such as book building undertaken prior to and in connection with the Introduction. As such, the price of the Shares immediately post-Introduction may not reflect an appropriate value of our Company.

The price of the Shares may fluctuate widely, depending on various factors, including:

- changes in market valuations and share prices of companies with similar businesses to our Group that may be listed in Singapore and Hong Kong;
- announcements of significant acquisitions, strategic alliances or joint ventures;
- fluctuations in stock market prices and trading volume;
- involvement in material litigation;
- addition or departure of key personnel;
- success or failure of management in implementing business and growth strategies;
- variations in operating results;
- changes in securities analysts' recommendations, perceptions or estimates of our Group's financial performance;
- general changes in rules/regulations with regard to the renewable energy industry that our Group operates in, including those that affect the demand for our Group's products and services; and
- changes in conditions affecting the renewable energy industry in which our Group operates, the general economic conditions or stock market sentiments or other events or factors.

You may experience further dilution in the value of the Shares.

We may seek additional funding through a combination of equity offerings, debt financings, collaborations and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights as a holder of our Shares. Issuance of additional Shares, or the possibility of such issuance, may cause dilution to our Shareholders if we issue additional Shares at a price which is lower than the net tangible asset value per Share prior to the issuance of such additional Shares or if new Shares other than on a *pro rata* basis are issued to then existing Shareholders, and may cause the market price of our Shares to decline. In addition, the incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, and other operating restrictions that could adversely impact our ability to conduct our business. If we fail to utilise the additional funds raised to generate a commensurate increase in earnings, this will also lead to a dilution in our earnings per Share and could lead to a decline in the Share price.

There is no assurance that we will remain listed on either the HKSE or the SGX-ST.

While our Shares are currently listed on the HKSE and will, following the Introduction, be listed on the SGX-ST, there is no assurance that they will continue to be so listed on both or either exchange in the future. We may not be able to continue to satisfy the listing requirements under the regulations of the HKSE or other relevant rules, regulations or laws in Bermuda, Hong Kong or Singapore. In addition, our eligibility-to-list on the SGX-ST is conditional upon, among others, the maintenance of our primary listing on the HKSE. In the event that our Shares cease to be listed on the HKSE, there is no assurance that our Shares will remain listed on the SGX-ST. If our Shares are suspended from quotation, removed from trading or otherwise cease to be traded on the HKSE or the SGX-ST, our Shareholders and CDP Depositors (as the case may be) will not be able to trade our Shares on the HKSE and/or the SGX-ST. Further, there is no assurance that any of such Shareholders or CDP Depositors will be entitled to compensation or an exit offer, or that the terms of any such compensation or exit offer will be satisfactory to them. If our Shares cease to be listed on the SGX-ST and in the event that there is no exit offer or CDP Depositors choose not to accept the exit offer, such CDP Depositors may have to transfer their Shares to the HKSE for disposal or trading. See the section entitled "*Clearance and Settlement*" of this Introductory Document for further details regarding transfers of our Shares between the SGX-ST and the HKSE.

The different characteristics of the capital markets in Singapore and Hong Kong may negatively affect the trading prices of our Shares.

Upon the Introduction, we will be subject to Singapore and Hong Kong listing and regulatory requirements concurrently. The SGX-ST and HKSE have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our Shares on SGX-ST and HKSE may not be the same, even allowing for currency differences. Fluctuations in the price of our Shares due to circumstances peculiar to the Hong Kong capital market could materially and adversely affect the price of our Shares, or *vice versa*. Certain events having significant negative impact specifically on the Hong Kong capital markets may result in a decline in the trading price of our Shares notwithstanding that such event may not impact the trading prices of securities listed in Singapore generally or to the same extent, or *vice versa*. Because of the different characteristics of Singapore and Hong Kong capital markets, the historical market prices of our Shares may not be indicative of the trading performance of our Shares after the Introduction.

We will not be subject to full regulatory oversight from the SGX-ST after the Introduction and certain rules from the Listing Manual will not apply to us.

As our primary listing is on the HKSE and the listing of our Shares on the SGX-ST is a secondary listing, the HKSE will have primary regulatory oversight over our Company. Under the Listing Manual, a foreign issuer having a secondary listing on the SGX-ST, as is our case, need not comply with the Listing Manual, provided that it undertakes to:

- release all information and documents in English to the SGX-ST at the same time as they are released to the HKSE;
- inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of the HKSE; and
- to comply with such other listing rules as may be applied by the SGX-ST from time to time.

Whilst the SGX-ST has imposed certain conditions on us in connection with the listing of our Shares on the SGX-ST as stated in the section entitled "Our Listing on the SGX-ST" of this Introductory Document, our compliance with such conditions will nonetheless be less than that required of a company with a primary listing on the SGX-ST.

For example, we are also not subject to the continuing disclosure obligations under Chapters 9, 10 and 13 of the Listing Manual but will be subject to the relevant laws and regulations governing listed corporations on the HKSE. As we are not required to comply with Chapter 13 of the Listing Manual, CDP Depositors will not be entitled to an exit offer under Rule 1309(1) of the Listing Manual in the event of a delisting from the SGX-ST only. An announcement will be made to inform CDP Depositors in the event of a delisting from the SGX-ST.

CDP Depositors may be diluted as they may not be able to participate in any additional equity fundraising, rights issue or corporate actions.

We may in the future require additional equity funding or undertake corporate actions after the Introduction and our Shareholders and CDP Depositors may face dilution of their shareholdings should we issue Shares to obtain such equity funding or undertake corporate actions. Furthermore, if we were to conduct a rights issue in Hong Kong or in any jurisdiction excluding Singapore, CDP Depositors may not be able to participate in such a rights issue. Compliance with securities laws or other regulatory provisions in Singapore may prevent us from offering such rights to CDP Depositors or involving CDP Depositors for such corporate actions without us incurring substantial additional costs (over and above any requirements we must comply with in Hong Kong) involved in the offering of such rights to CDP Depositors or involving CDP Depositors for such corporate actions, including having to lodge an offer information statement with the MAS. If that is the case and Shares to be issued pursuant to a rights issue in Hong Kong or in any jurisdiction excluding Singapore were offered to the eligible Shareholders at a discount or corporate actions such as bonus issues were only offered to non-CDP Depositors, CDP

Depositors will face dilution of their beneficial shareholdings. If it is practicable to do so, arrangements may, at the sole discretion of the Company, be made for the provisional allotment of rights shares which would otherwise have been provisionally allotted to CDP Depositors, to be sold "nil-paid". Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to the CDP Depositors in proportion to their respective shareholdings or, as the case may be, the number of ordinary shares entered against their names in the Depository Register as at the relevant books closure date and sent to them at their own risk. In the event the amount is less than a certain minimum amount to be determined at the sole discretion of the Company, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no CDP Depositor shall have any claim whatsoever against the Company, the Directors, CDP or the relevant share registrar and their respective officers in connection therewith. Where such provisional allotment of rights are sold "nil-paid", they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no CDP Depositor shall have any claim whatsoever against the Company, the Directors, CDP or the relevant share registrar and their respective officers in respect of such sales or the proceeds thereof.

See the section entitled "*Clearance and Settlement – Movement of Shares between Hong Kong and Singapore – Transfer of Shares from Singapore to Hong Kong*" of this Introductory Document for more information for the mechanism for conversion and transfer of Shares trading on the SGX-ST to Shares for trading on the HKSE to be eligible to participate in corporate actions offered to our Shareholders.

There are exchange rate risks in trading in our Shares and dividends distributed by us may also be affected.

Investors should note that the Shares listed on the HKSE will need to be removed from our branch register of members kept in Hong Kong to enable transfer to the CDP for trading on the SGX-ST. However, once there are sufficient Shares transferred to the CDP or if our Company conducts fundraising through an offering of Shares in Singapore in the future (with such Shares to be held through CDP), investors will be able to trade our Shares on the SGX-ST and, subject to compliance with applicable laws, rules and regulations, may be able to convert the Shares for trading on the HKSE. See the section entitled "*Clearance and Settlement*" of this Introductory Document for more information. Transactions in our Shares on the HKSE and transactions in our Shares on the SGX-ST will be settled in Hong Kong dollars and Singapore dollars respectively. However, should you sell our Shares on the HKSE, and you decide to convert the proceeds from the sale into Singapore dollars, you will be subject to the prevailing exchange rate between the Singapore dollars and Hong Kong dollars at the time you convert the proceeds from your sale into Singapore dollars. Any fluctuation in exchange rates of this nature may have an impact on the proceeds which you receive from the sale of your Shares.

There may be difficulties in protecting your interests under Bermuda laws

Our corporate affairs are governed by, among other things, our Memorandum of Association and Bye-Laws, the Bermuda Companies Act and common law of Bermuda. The rights of Shareholders to take action against our Directors, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Bermuda law are to a large extent governed by the common law of Bermuda. The common law of Bermuda is derived in part from comparatively limited judicial precedent in Bermuda as well as from English common law, which has persuasive, but not binding, authority on a court in Bermuda. The laws of Bermuda relating to the protection of the interests of minority Shareholders differ in some respects from those in other jurisdictions. Such differences may mean that the remedies available to the minority Shareholders may be different from those they would have under the laws of other jurisdictions.

Facts, forecasts and statistics in this Introductory Document relating to the renewable energy industry may not be fully reliable.

Facts, forecasts and statistics in this Introductory Document relating to China's economy and the renewable energy industry are obtained from various sources that we believe are reliable, including official government publications. However, our Company, our Directors and the Issue Manager cannot guarantee the quality or reliability of these sources. Neither our Company, our Directors nor the Issue

Manager (except where reasonable and appropriate to do so) nor our respective affiliates or advisers have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from these sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and factual information and other problems, the industry statistics in this Introductory Document may be inaccurate and you should not place undue reliance on them. Our Company, our Directors and the Issue Manager make no representation as to the accuracy of such facts, forecasts and statistics obtained from various sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

DIVIDEND POLICY

Statements contained in this section that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us, the Issue Manager, or any other person. Prospective investors are cautioned not to place undue reliance on these forward-looking statements that speak only as at the date hereof. See the section entitled "Notice to Investors – Forward-Looking Statements" of this Introductory Document.

Past Dividends

The following table shows the amount of cash dividends paid by our Company for each of FY2022, FY2023 and FY2024, and the amount of cash dividends declared by our Company for the period from 1 January 2025 to the Latest Practicable Date:

	FY2022		FY2023		FY2024		1 January 2025 to the Latest Practicable Date	
	Dividend (per Share)	Total Dividend (millions)	Dividend (per Share)	Total Dividend (millions)	Dividend (per Share)	Total Dividend (millions)	Dividend (per Share)	Total Dividend (millions)
Our Company	HK\$0.035	RMB278.5	HK\$0.035	RMB258.9	HK\$0.035	RMB251.4	Nil	Nil

Dividend Policy

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

Our Board will continue to review our Dividend Policy from time to time. There is no assurance that dividends will be paid in any particular amount for any given period.

We are a holding company incorporated under the laws of Bermuda. The payment of dividends is also subject to any requirements of the Bermuda Companies Act and regulations under the laws of Bermuda and the Memorandum of Association and Bye-Laws of our Company, the Hong Kong Listing Rules and following the Introduction, the Listing Manual. The Company in a general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by our Board. The Company in a general meeting may also make a distribution to its members out of contributed surplus (as ascertained in accordance with the Bermuda Companies Act). No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities. PRC laws require companies incorporated under the PRC laws to make up for its accumulative losses out of its after-tax profits and allocate at least ten per cent. (10%) of its remaining after-tax profits, if any, to fund its statutory reserves until the aggregate amount of its statutory reserves exceeds 50% of its registered capital.

Shareholders whose Shares are held through CDP will receive their dividends through CDP in Singapore dollars. We will make the necessary arrangements to convert the dividends in Hong Kong dollar into Singapore dollar equivalent at the prevailing exchange rate obtained by us on the relevant date for onward distribution to CDP and CDP's onward distribution to entitled Shareholders. Neither our Company nor CDP will be liable for any loss whatsoever arising from the conversion of the dividend

entitlement of Shareholders holding their Shares through CDP from the Hong Kong dollar into the Singapore dollar equivalent.

You should note that the foregoing statements are merely statements of our present intention and shall not constitute legally binding statements in respect of our Company's future dividends, which may be subject to modification (including reduction or non-declaration thereof) in the sole and absolute discretion of our Board.

No inference should or can be made from any of the foregoing statements as to our Company's actual future profitability or our Company's ability to pay dividends in any of the periods discussed.

CAPITALISATION AND INDEBTEDNESS

The information in this section should be read in conjunction with the full text of this Introductory Document, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations", the "Independent Auditor's Report and the Audited Consolidated Financial Statements of Concord New Energy Group Limited and its Subsidiaries as at and for Each of the Years Ended 31 December 2022, 2023 and 2024" as set in Appendix A to this Introductory Document, and the "Independent Review Report and the Unaudited Interim Condensed Consolidated Financial Statements of Concord New Energy Group Limited and its Subsidiaries as at and for the Six (6) Months ended 30 June 2025" as set in Appendix B to this Introductory Document.

The table below shows our cash and cash equivalents, capitalisation and indebtedness of our Group, which is prepared based on our Unaudited Interim Condensed Consolidated Financial Statements as at 30 June 2025.

(RMB in millions)	Unaudited
As at 30 June 2025	
Cash and cash equivalents	1,983.1
Capitalisation and indebtedness	
Indebtedness including bank borrowings, other borrowings and lease liabilities	
Current:	
Secured and non-guaranteed	-
Secured and guaranteed	932.1
Non-secured and non-guaranteed	205.2
Non-secured and guaranteed	1,066.6
Non-current:	
Secured and non-guaranteed	-
Secured and guaranteed	7,699.1
Non-secured and non-guaranteed	265.9
Non-secured and guaranteed	10,255.1
Total indebtedness	20,424.0
Total shareholders' equity	8,900.0
Total capitalisation and indebtedness	29,324.0

MARKET PRICE INFORMATION

The following table sets out certain historical pricing and trading volume information of our Shares on the HKSE. No inference should or can be made from any of the information below as to the actual price or movement of our Shares for any other periods.

Our Shares are currently listed on the HKSE. The following table sets out certain pricing and trading volume information for our Shares on the HKSE for FY2022, FY2023, FY2024 and for the last six (6) months prior to the Latest Practicable Date. No inference should or can be made from any of the information below as to our actual share price performance or movement of our Shares. There can be no assurance that the market price of our Shares following the close of the Introduction will attain a price which is higher or lower than the range of prices set forth below or any price.

Period	High (HK\$) ⁽¹⁾⁽⁴⁾	Low (HK\$) ^{(1) (4)}	Average Daily Trading Volume (Number of Shares) ⁽²⁾⁽⁴⁾
FY2022 ⁽³⁾	0.850	0.600	16,712,648
FY2023 ⁽³⁾	0.800	0.600	11,212,956
FY2024 ⁽³⁾	0.690	0.510	10,766,038
June 2025	0.510	0.430	7,560,672
July 2025	0.500	0.410	15,061,879
August 2025	0.420	0.385	12,751,448
September 2025	0.415	0.385	12,387,177
October 2025	0.405	0.375	13,464,373
November 2025	0.390	0.310	24,896,436
December 2025 (through to the Latest Practicable Date)	0.335	0.310	12,213,846

Notes:

- (1) Based on daily closing prices.
- (2) The average daily trading volume is computed based on the total volume of Shares traded on the HKSE during the relevant periods, divided by the number of days when the HKSE was open for trading (excluding days with full day trading halts).
- (3) Information pertaining to FY2022, FY2023 and FY2024 are taken from 1 January 2022 to 31 December 2022, 1 January 2023 to 31 December 2023 and 1 January 2024 to 31 December 2024, respectively.
- (4) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from its database, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from Bloomberg L.P.'s database has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of the information contained in that database or verified the accuracy of the contents of the relevant information.

The following table sets out the highest and lowest market prices of our Shares on the HKSE for each financial quarter of the two (2) most recently completed financial years and subsequent quarters before the date of this Introductory Document.

Period	High (HK\$) ⁽¹⁾⁽²⁾	Low (HK\$) ⁽¹⁾⁽²⁾
Quarter ended 31 March 2023	0.800	0.700
Quarter ended 30 June 2023	0.750	0.650

Quarter ended 30 September 2023	0.650	0.600
Quarter ended 31 December 2023	0.670	0.620
Quarter ended 31 March 2024	0.690	0.610
Quarter ended 30 June 2024	0.670	0.590
Quarter ended 30 September 2024	0.620	0.520
Quarter ended 31 December 2024	0.630	0.510
Quarter ended 31 March 2025	0.510	0.450
Quarter ended 30 June 2025	0.510	0.420
Quarter ended 30 September 2025	0.500	0.390
October 2025 to the Latest Practicable Date	0.405	0.310

Notes:

- (1) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information extracted from its database, and is therefore not liable for such information. While our Company, Directors and the Issue Manager have taken reasonable actions to ensure that the information from Bloomberg L.P.'s database has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of the information contained in that database or verified the accuracy of the contents of the relevant information.
- (2) The high and low amounts were based on the highest and lowest closing price, respectively, for our Shares for the particular period.

The closing price of our Shares on the HKSE as at the Latest Practicable Date was HK\$0.310. The closing price of our Shares on the HKSE as at date of the last trading day before the date of Introductory Document, being the last trading day before the date of this Introductory Document, was HK\$0.310.

No significant trading suspension of our Shares has occurred on the HKSE during the last (3) years immediately preceding the Latest Practicable Date. Our Shares are regularly traded on the HKSE.

EXCHANGE RATES AND EXCHANGE CONTROLS

EXCHANGE RATES

Exchange rates between RMB and SGD

The following table sets out, for the periods indicated, certain information on the exchange rates between the RMB and the Singapore dollar (in RMB per Singapore dollar), as quoted by Bloomberg L.P. and rounded to two (2) decimal places. These exchange rates have been presented solely for information only. We make no representation that the RMB or Singapore dollar amounts set out below and referred to elsewhere in this Introductory Document could have been or could be converted into any of the respective other currencies at the rates indicated or at any other rate or at all.

Period	Closing Exchange Rates RMB per Singapore dollar ⁽¹⁾			
	High ⁽²⁾	Low ⁽²⁾	Average ⁽³⁾	Period End
FY2022 ⁽⁴⁾	5.24	4.63	4.90	5.14
FY2023 ⁽⁴⁾	5.45	5.08	5.28	5.38
FY2024 ⁽⁴⁾	5.72	5.30	5.38	5.34
6M2025 ⁽⁵⁾	5.65	5.30	5.48	5.63
June 2025	5.63	5.58	5.60	5.63
July 2025	5.63	5.55	5.60	5.55
August 2025	5.60	5.56	5.58	5.56
September 2025	5.58	5.51	5.55	5.52
October 2025	5.53	5.47	5.50	5.47
November 2025	5.47	5.43	5.46	5.46
1 December 2025 to the Latest Practicable Date (both inclusive)	5.47	5.45	5.46	5.45

Notes:

- (1) Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the exchange rate information cited to it in this section and is therefore not liable for such information. While our Company, Directors and the Issue Manager have taken reasonable actions to ensure that such information has been reproduced in its proper form and context and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.
- (2) The high and low amounts were determined using the closing exchange rates at the end of each day during the period indicated.
- (3) The yearly average rate was determined using the closing exchange rates on the last day of each month during the period indicated. The monthly or periodic average rate was determined using the closing exchange rates at the end of each day during the period indicated.
- (4) Information pertaining to FY2022, FY2023 and FY2024 is taken from 1 January 2022 to 31 December 2022, 1 January 2023 to 31 December 2023 and 1 January 2024 to 31 December 2024, respectively.
- (5) Information pertaining to 6M2025 is taken from 1 January 2025 to 30 June 2025.

As at the Latest Practicable Date, the closing exchange rate between the RMB and the Singapore dollar (in RMB per Singapore dollar) was RMB5.45 : S\$1.00.

EXCHANGE CONTROLS

Bermuda

The permission of the Bermuda Monetary Authority is required for the issue of shares and securities by a Bermuda company and the subsequent transfer of such shares and securities. Before such company can issue or transfer any further shares and securities in excess of the amounts already approved, it must obtain the prior consent of the Bermuda Monetary Authority.

The Company is an exempted company and is designated as “non-resident” for exchange control purposes by the Bermuda Monetary Authority. Where a company is so designated, it is free to deal in currencies of countries outside the Bermuda exchange control area which are freely convertible into currencies of any other country.

The Bermuda Monetary Authority has granted a general permission for the issue and transfer of shares and securities to and between persons regarded as resident outside Bermuda for exchange control purposes without specific consent for so long as any equity securities, including shares, are listed on an appointed stock exchange (as defined in the Bermuda Companies Act) which includes the HKSE and the SGX-ST. Issues to and transfers involving persons regarded as “resident” for exchange control purposes in Bermuda will however be subject to specific exchange control authorisation.

Hong Kong

There are currently no foreign exchange control restrictions in Hong Kong that may restrict the following:

- (a) the ability to transfer funds by or to our Company in the form of repatriation of capital and remittance of profits;
- (b) the availability of cash and cash equivalents for use by our Company; and
- (c) the remittance of dividends, interest or other payments to holders of our Shares.

The PRC

The principal regulations governing foreign currency exchange in the PRC are the Administrative Regulations on Foreign Exchange of the PRC (《中华人民共和国外汇管理条例》). Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, may be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of foreign currency denominated loans or foreign currency is to be remitted into the PRC under the capital account, such as a capital increase or foreign currency loans to our PRC subsidiaries. In June 2016, SAFE promulgated SAFE Circular 16, which unifies the Discretionary Foreign Exchange Settlement for all the domestic institutions. The Discretionary Foreign Exchange Settlement refers to the foreign exchange capital under the capital account which has been confirmed by the relevant policies subject to the discretionary foreign exchange settlement (including foreign exchange capital, foreign debts and funds remitted from the proceeds from the overseas listing) can be settled at the banks based on the actual operational needs of the domestic institutions. The proportion of Discretionary Foreign Exchange Settlement of the foreign exchange capital is temporarily determined as 100%. Furthermore, the SAFE Circular 16 stipulates that the use of foreign exchange incomes of capital accounts by FIEs shall follow the principles of authenticity and self-use within the business scope of enterprises. Based on the amendments to Circular 16 by the Circular on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《国家外汇管理局关于进一步深化改革促进跨境贸易投资便利化的通知》) issued by SAFE on 4 December 2023, the foreign exchange incomes of capital accounts and capital in RMB obtained by FIEs from foreign exchange settlement shall not be used for the following purposes: (a) directly or indirectly used for the payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (b) directly or indirectly used for investment in securities or financial schemes (except for financial products and structured deposits with a risk rating no higher than level two), unless otherwise provided by relevant laws and regulations; (c) used for

granting loans to non-connected enterprises, unless otherwise explicitly permitted by its business scope or in regions explicitly provided by the circular; and (d) used for the construction or purchase of real estate that is not for self-use (except for companies engaged in real estate development, operation, or real estate leasing). In October 2019, the SAFE promulgated the SAFE Circular 28, which allows non-investment FIEs to use their capital funds to make equity investments in the PRC, provided that such investments do not violate the special administrative measures for foreign investment access and the target investment projects are genuine and in compliance with laws.

According to the Circular of the State Administration of Foreign Exchange on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (《国家外汇管理局关于优化外汇管理支持涉外业务发展的通知》) promulgated in April 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Enterprises satisfying the prescribed requirements are allowed to use income under the capital accounts such as capital funds, foreign debts, and overseas listings, for domestic payment without providing banks with authenticity certification materials on a transaction-by-transaction basis in advance, under the premise that funds are used in a truthful and compliant manner and comply with the existing provisions on the administration of use of income under capital accounts.

Singapore

There are no exchange control regulations or currency restrictions in effect in Singapore.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following selected consolidated financial information of our Group should be read in conjunction with the full text of this Introductory Document, including the "Independent Auditors' Report and the Audited Consolidated Financial Statements of Concord New Energy Group Limited and its Subsidiaries as at and for each of the years ended 31 December 2022, 2023 and 2024" and "Independent Review Report and the Unaudited Interim Condensed Consolidated Financial Statements of Concord New Energy Group Limited and its Subsidiaries as at and for the Six (6) Months ended 30 June 2025" and as set out in Appendix A and Appendix B to this Introductory Document, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Introductory Document. Our consolidated financial statements are reported in RMB and are prepared and presented in accordance with HKFRS.

This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause our future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Introductory Document, particularly in the section entitled "Risk Factors" of this Introductory Document. Investors are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date hereof. Please refer to the section entitled "Notice to Investors – Forward-Looking Statements" of this Introductory Document.

OVERVIEW

Our Group operates in China's renewable energy market, and it primarily derives revenue from two (2) business segments. Revenue from: (a) the power generation segment is primarily through the operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies; and (b) revenue from the others segment is derived through the provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects, provision of finance lease services and energy internet services.

Please refer to the section entitled "Business" of this Introductory Document for further details of our business.

Revenue from continuing operations

Our revenue from continuing operations is derived from two (2) business segments. Revenue from: (a) the power generation segment is primarily through the operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies; and (b) the others segment is through the provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects, provision of finance lease services and energy internet services. During the Period Under Review, our Group's revenue is primarily derived from the

Revenue breakdown by business segment	Audited						Unaudited			
	FY2022		FY2023		FY2024		6M2024		6M2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Power Generation Segment										
Wind power	1,769,309	73.7	1,893,041	73.1	2,154,968	78.3	1,176,495	78.5	1,115,501	79.7
Solar Power	344,797	14.4	366,372	14.2	360,983	13.1	187,823	12.5	219,892	15.7
	2,114,106	88.1	2,259,413	87.3	2,515,951	91.4	1,364,318	91.0	1,335,393	95.4
Others segment										
Others	286,170	11.9	329,233	12.7	236,103	8.6	134,539	9.0	64,926	4.6
Total	2,400,276	100.0	2,588,646	100.0	2,752,054	100.0	1,498,857	100.0	1,400,319	100.0

PRC.

**Revenue breakdown
by contracts with
customers**

	Audited						Unaudited			
	FY2022		FY2023		FY2024		6M2024		6M2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Power Generation Segment										
Sales of electricity:										
Basic electricity price	1,687,148	70.3	1,867,969	72.2	2,158,040	78.4	1,188,558	79.3	1,170,425	83.6
Renewable energy subsidy ⁽¹⁾	401,464	16.7	341,581	13.2	303,026	11.0	146,391	9.8	153,436	11.0
Green energy certificates ⁽²⁾	25,494	1.1	45,458	1.8	39,509	1.4	19,716	1.3	7,211	0.5
	2,114,106	88.1	2,255,008	87.2	2,500,575	90.8	1,354,665	90.4	1,331,072	95.1
Others Segment										
Engineering, procurement and construction services	231,316	9.6	189,026	7.3	59,864	2.2	40,109	2.7	26,217	1.9
Provision of technical and consultancy services	11,204	0.5	21,185	0.8	54,544	2.0	12,409	0.8	6,763	0.5
Provision of design services	13,406	0.6	18,621	0.7	37,548	1.4	14,099	0.9	20,658	1.5
Provision of agency service on sale of equipment	2,466	0.1	-	-	-	-	-	-	-	-
Other revenue	1,036	n.m.	67,016	2.6	67,182	2.4	59,751	4.0	6,470	0.4
Finance lease income	26,742	1.1	37,790	1.4	32,341	1.2	17,824	1.2	9,139	0.6
Total	2,400,276	100.0	2,588,646	100.0	2,752,054	100.0	1,498,857	100.0	1,400,319	100.0

Notes:

- (1) Renewable energy subsidy is provided by the relevant PRC government authorities to the wind and solar power plants operating in the PRC, subject to the fulfilment of certain conditions. Approval for the registration in the Renewable Energy Tariff Subsidy List is required before the allocation of renewable energy subsidy by the relevant PRC government authorities. Periodic renewal of such registration is not required.
- (2) According to the Work Plan for Pilot Green Power Trading approved by the National Development and Reform Commission and National Energy Administration, wind power and solar power plants that are not included in the Renewable Energy Tariff Subsidy List can apply to obtain green energy certificate from the National Renewable Energy Information Management Center to participate in green energy trading through power exchange centres.

Our revenue is mainly driven by our revenue from the power generation segment, which primarily affected by, *inter alia*, the following factors:

- (a) on grid FITs and the average comprehensive electricity price; and

Average Comprehensive Electricity Price (RMB/kWh)(including VAT)

Business Segments	FY2022	FY2023	FY2024	6M2024	6M2025
Wind	0.4417	0.4042	0.3933	0.3838	0.3653
Solar PV	0.5252	0.5196	0.4552	0.4714	0.4278

- (b) attributable power generation of our power plants;

Attributable Power Generation (GWh)

Business Segments	FY2022	FY2023	FY2024	6M2024	6M2025
Wind	5,894	6,988	7,702	4,266	4,155
Solar PV	779	836	943	472	604
Total	6,673	7,824	8,645	4,738	4,759

The attributable power generation of our power plants is turn affected by: (i) the attributable installed capacity of our power plants; (ii) the curtailment rate; (iii) availability of power plants; (iv) the weighted average utilisation hours of our power plants; (v) and the natural conditions of wind/solar as resources.

Attributable Installed Capacity of Wind and Solar PV (MW)

Business Segments	FY2022	FY2023	FY2024	6M2024	6M2025
Wind	3,137	3,467	3,732	3,467	3,844
Solar PV	451	583	883	583	934
Total	3,588	4,050	4,615	4,050	4,778

Curtailment Rate (%)

Business Segments	FY2022	FY2023	FY2024	6M2024	6M2025
Wind	2.6	3.7	9.5	9.7	12.9
Solar PV	3.8	5.9	18.5	19.5	32.6

Availability of Power Plant (%)

Business Segments	FY2022	FY2023	FY2024	6M2024	6M2025
Wind	98.5	98.8	98.3	98.1	98.7
Solar PV	99.9	99.9	99.7	98.4	99.0

Weighted Average Utilisation Hours (Hour)

Business Segments	FY2022	FY2023	FY2024	6M2024	6M2025
Wind	2,543	2,449	2,192	1,220	1,142
Solar PV	1,547	1,455	1,272	659	531

Please refer to the section entitled "Risk Factors" of this Introductory Document for further details on the above factors and other factors that may affect our revenue.

The breakdown of our revenue by geographical segments for the Period Under Review are set out in the table below. The Group's main revenue contributing operations are located in the PRC and the remaining revenue contributing operations are located in the United States of America.

	FY2022		Audited FY2023		FY2024		Unaudited 6M2024		6M2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
The PRC	2,372,558	98.8	2,561,091	98.9	2,723,737	99.0	1,483,967	99.0	1,386,452	99.0
United States	27,718	1.2	27,555	1.1	28,317	1.0	14,890	1.0	13,867	1.0
Total	2,400,276	100.0	2,588,646	100.0	2,752,054	100.0	1,498,857	100.0	1,400,319	100.0

Cost of sales and services rendered

Our cost of sales and services rendered mainly comprises: (a) direct operating costs for power generation; (b) cost of provision of design services; (c) cost of provision of technical and consultancy services; (d) cost of engineering, procurement and construction services; (e) cost of finance lease and (f) cost of other revenue.

	Audited						Unaudited			
	FY2022		FY2023		FY2024		6M2024		6M2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Direct operating costs for power generation	730,291	77.6	873,717	73.9	1,100,932	89.1	537,315	83.1	671,552	91.8
Cost of provision of design services	7,896	0.8	14,398	1.2	25,868	2.1	11,888	1.8	12,310	1.7
Cost of provision of technical and consultancy services	10,431	1.1	25,445	2.2	17,142	1.4	13,985	2.2	6,883	0.9
Cost of engineering, procurement and construction services	190,877	20.3	201,179	17.0	47,037	3.8	79,432	12.3	31,629	4.3
Cost of finance lease	829	0.1	2,457	0.2	3,275	0.3	2,031	0.3	1,092	0.1
Cost of others	259	-	65,824	5.6	41,952	3.4	2,113	0.3	7,824	1.1
Total	940,583	100.0	1,183,020	100.0	1,236,206	100.0	646,764	100.0	731,290	100.0

The cost of sales and services rendered amounted to approximately RMB940.6 million, RMB1,183.0 million, RMB1,236.2 million, RMB646.8 million and RMB731.3 million, in FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively, representing 39.2%, 45.7%, 44.9%, 43.2% and 52.2% of our revenue during the respective financial periods.

Please refer to the section entitled "*Risk Factors*" of this Introductory Document for further details on the above factors and other factors that may affect our cost of sales.

Gross profit and gross profit margin

Gross profit is the amount of our revenue in excess of our cost of sales and services rendered, and gross profit margin is the percentage of revenue that exceeds our cost of sales and services rendered. The gross profit of our Group amounted to RMB1,459.7million, RMB1,405.6 million, RMB1,515.8 million, RMB852.1 million and RMB669.0 million for FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively, representing a gross profit margin of approximately 60.8%, 54.3%, 55.1%, 56.8% and 47.8%for each of the corresponding financial year/period.

Other income

Other income mainly comprised interest revenue, government grants, compensations, gain on transferring the right of use of boosting substations, guarantee income, rental income and others, and is set out below:

	Audited						Unaudited			
	FY2022		FY2023		FY2024		6M2024		6M2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Interest revenue	27,397	46.7	30,967	29.5	41,289	22.5	25,585	33.4	8,043	14.9
Government grants:										
- Tax refunds	15,969	27.2	36,494	34.8	34,431	18.7	17,366	22.7	30,141	55.9
- Others (including amortisation of deferred income)	3,419	5.8	2,196	2.1	13,293	7.2	1,461	1.9	1,970	3.7
Compensations	-	-	15,146	14.4	53,033	28.8	3,822	5.0	3,726	6.9
Gain on transferring the right of use of boosting substations	-	-	-	-	22,018	12.0	18,868	24.6	-	-
Guarantee income	7,108	12.1	8,625	8.2	8,331	4.5	4,014	5.2	1,980	3.7
Rental income	2,016	3.4	8,039	7.7	5,373	2.9	2,766	3.6	5,003	9.3
Others	2,700	4.6	3,420	3.3	6,072	3.3	2,695	3.5	3,097	5.7
Total	58,609	100.0	104,887	100.0	183,840	100.0	76,577	100.0	53,960	100.0

Tax refunds mainly represent refunds of value-added tax and other taxes received from the tax authorities. Compensation received in FY2023 and FY2024 represents compensation received from

the Group's power equipment suppliers due to breach of contractual terms. Guarantee income results from guarantee fees earned for providing financial guarantees to two (2) associates and a joint venture of the Group. Other income amounted to approximately RMB58.6 million, RMB104.9 million, RMB183.8 million, RMB76.6 million and RMB54.0 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively.

Other gains and losses, net

Other gains and losses mainly comprised net gain on disposal or liquidation of subsidiaries, gain on disposal of associates, change in fair value of financial assets at fair value through profit and loss ("FVTPL"), net exchange gains, impairment loss recognised for construction in progress, impairment loss relating to the disposal of subsidiaries classified as held for sale, gain or loss on disposal of property, plant and equipment, donations and others. Our net other gains and losses are set out below:

	Audited				Unaudited					
	FY2022		FY2023		FY2024		6M2024		6M2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Gain / (loss) on disposal / liquidation of subsidiaries, net	255,589	80.0	399,759	98.9	32,202	101.6	(33)	4.6	(3,215)	-13.4
Gain on disposal of an associate or joint venture, net	-	-	62	n.m.	-	-	-	-	11,461	47.6
Change in fair value of financial assets at FVTPL	82,726	25.9	42	n.m.	16,287	51.4	5,794	-800.3	4,155	17.3
Exchange (loss)/gain, net	26,595	8.3	6,346	1.6	(144)	-0.5	(4,061)	560.9	(1,307)	-5.4
Impairment loss recognised for construction in progress	(39,139)	-12.2	-	-	-	-	-	-	-	-
Impairment losses / Reversal of impairment loss relating to the disposal subsidiaries classified as held for sale	-	-	-	-	(14,637)	-46.2	-	-	14,637	60.8
Gain / (loss) on disposal of property, plant and equipment	(1,012)	-0.3	2,536	0.6	(1,839)	-5.8	(93)	12.8	192	0.8
Donation	(2,024)	-0.6	(2,073)	-0.5	(1,261)	-4.0	-	-	-	-
Others	(3,190)	-1.0	(2,523)	-0.6	1,076	3.4	(2,331)	322.0	(1,853)	-7.7
Total	319,545	100.0	404,149	100.0	31,684	100.0	(724)	100.0	24,070	100.0

In FY2022, FY2023, FY2024, 6M2024 and 6M2025, our Group disposed of certain equity interests in subsidiaries to independent third parties and entities controlled by a connected person resulting in net gain on disposal/liquidation of subsidiaries. An impairment loss of RMB39.1 million was recognised in FY2022 for construction in progress resulting from a reassessment of recoverable amounts of certain construction in progress in power generation assets. The estimates of recoverable amount were based on the fair values less costs of disposal, using the market comparison approach by reference to the recent sales price of similar assets. The fair value on which the recoverable amount is based on is categorised as level 3 measurement. An impairment loss of RMB14.6 million was recognised in FY2024 relating to the classification of three (3) subsidiaries within the Power Generation segment as held-for-sale. The impairment loss was reversed in 6M2025 as certain conditions precedents in the disposal agreements were not fulfilled and the three (3) subsidiaries were reclassified to held-for-use. Other net gains amounted to approximately RMB319.5 million, RMB404.1 million, RMB31.7 million and RMB24.1 million in FY2022, FY2023, FY2024 and 6M2025 respectively. Our Group reported other net losses of RMB0.7 million in 6M2024.

Impairment losses under expected credit loss model, net of reversal

Impairment losses under expected credit loss model, net of reversal mainly comprised recognition or reversal of impairment loss in: (a) trade and bills receivables; (b) payments deposits and other receivables; and (c) amounts due from joint ventures. Our impairment losses under expected credit loss model, net of reversal are set out below:

		Audited						Unaudited			
		FY2022		FY2023		FY2024		6M2024		6M2025	
		RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Impairment loss recognised / (reversed) in respect of:											
-	Trade and bills receivable	-	-	1,130	100.0	702	100.0	-	-	544	23.6
-	Payments, deposits and other receivables	1,000	n.m.	-	-	-	-	-	-	1,762	76.4
-	Amounts due from joint ventures	(2,181)	n.m.	-	-	-	-	-	-	-	-
Total		(1,181)	100.0	1,130	100.0	702	100.0	-	-	2,306	100.0

Reversal of impairment losses under expected credit loss model amounted to approximately RMB1.2 million in FY2022 while impairment losses under expected credit loss model were RMB1.1 million, RMB0.7 million and RMB2.3 million in FY2023, FY2024 and 6M2025 respectively.

Distribution and selling expenses

Distribution and selling expenses amounted to approximately RMB5.1 million, RMB6.1 million, RMB13.8 million, RMB6.1 million and RMB3.7 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively. The increase in distribution and selling expenses from FY2023 to FY2024 is due to the increase in distribution and selling expenses incurred from January 2024 to September 2024, which was attributed to the energy storage manufacturing business, which commenced at the end of 2023. The Group subsequently disposed of the energy storage manufacturing business in the fourth (4th) quarter of 2024.

Administrative expenses

Administrative expenses are costs that cannot be directly allocated to our power generation or other business segment and mainly comprised headquarters personnel cost, office operations expenses, travel expenses and other overhead expenses. Administrative expenses amounted to approximately RMB342.3 million, RMB404.5 million, RMB343.8 million, RMB162.6 million and RMB160.8 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively.

Finance costs

Finance costs mainly comprised interest expense on bank borrowings, other borrowings, senior notes, and lease liabilities less interest capitalised. Our finance costs are set out below:

		Audited						Unaudited			
		FY2022		FY2023		FY2024		6M2024		6M2025	
		RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Interest expenses on:											
-	Bank borrowings	68,585	12.6	114,810	17.8	198,730	29.1	97,974	28.8	99,192	31.4
-	Other borrowings	533,401	97.9	561,791	87.2	516,529	75.5	260,603	76.5	238,985	75.8
-	Seniors notes	66,454	12.2	35,053	5.4	-	-	-	-	-	-
-	Lease liabilities	5,223	1.0	11,066	1.7	18,392	2.7	6,660	2	12,274	3.9
		673,663	123.6	722,720	112.2	733,651	107.3	365,237	107.2	350,451	111.1
Less: Interest capitalised		(128,713)	-23.6	(78,555)	-12.2	(49,706)	-7.3	(24,674)	-7.2	(34,990)	-11.1
		544,950	100.0	644,165	100.0	683,945	100.0	340,563	100	315,461	100.0

Interest capitalised represents finance cost which have been capitalised at various applicable rates per annum for qualified assets classified as construction in progress under property, plant and equipment. Finance costs amounted to approximately RMB545.0 million, RMB644.2 million, RMB683.9 million, RMB340.6 million and RMB315.5 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively.

Share of profit of joint ventures, net

Share of profit of joint ventures, net amounted to approximately RMB151.1 million, RMB172.8 million, RMB166.5 million, RMB94.5 million and RMB82.6 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively.

Share of profit or loss of associates, net

Share of profit of associates, net amounted to approximately RMB20.0 million, RMB17.0 million, RMB11.2 million and RMB8.2 million in FY2022, FY2023, FY2024 and 6M2024 respectively. Our Group reported share of loss of associates of RM0.8 million in 6M2025.

Income tax credit / (expense)

A breakdown of our income tax credit / (expense) and overall effective income tax rates for the Period Under Review is as follows:

	FY2022	FY2023	FY2024	6M2024	6M2025
Profit before tax (RMB'000)	1,117,828	1,048,633	866,772	521,361	346,511
Income tax credit / (expense) (RMB'000)	(222,445)	(153,825)	8,803	26,097	(54,472)
Effective tax rate of our Group (%)	19.9	14.7	n.m.	n.m.	15.7

Our Group's operations are mainly located in the PRC. The PRC corporate income tax is provided for at the rate of 25% for the year of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose. The provision for Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the year, except for one (1) subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime. For the said subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Our effective tax rates were lower than the PRC statutory tax rate of 25% mainly due to: (a) lower preferential income tax rate of certain subsidiaries in western China or engaged in high-technology industries; (b) tax effect of non-taxable income; (c) preferential tax treatments of certain subsidiaries that are entitled to three (3) years tax exemption followed by three (3) years of 50% tax reduction; and (d) utilisation of previously unrecognised tax losses and unrecognised temporary difference. In FY2024 and 6M2024, we had an income tax credit of RMB8.8 million and RMB26.1 million respectively, mainly due to a reversal of PRC withholding tax as our Company had qualified as a Hong Kong resident.

Profit attributable to owners of our Company from continuing operations

The profit attributable to owners of our Company from continuing operations amounted to approximately RMB852.6 million, RMB877.5 million, RMB805.1 million, RMB501.4 million and RMB281.9 million in FY2022, FY2023, FY2024, 6M2024 and 6M2025 respectively.

REVIEW OF RESULTS OF OPERATIONS

FY2022 vs FY2023

Revenue from continuing operations

Revenue from continuing operations increased by approximately RMB188.3 million or 7.8%, from RMB2,400.3 million in FY2022 to RMB2,588.6 million in FY2023. This was mainly due to: (a) an increase in revenue from basic electricity price amounting to RMB180.8 million; (b) an increase in sale of green energy certificates to other green energy participants amounting to RMB20.0 million; (c) an increase in revenue from provision of technical and consultancy services amounting to RMB10.0 million; (d) an increase in revenue from provision of design services amounting to RMB5.2 million; (e) an increase in other revenue amounting to RMB67.0 million; and (f) an increase in finance lease income of RMB11.1 million. This was partially offset by: (i) a decrease in renewable energy subsidy of RMB59.9 million; and (ii) a decrease in revenue from engineering, procurement and construction services amounting to RMB42.3 million.

Cost of sales and services rendered

Cost of sales and services rendered increased by approximately RMB242.4 million or 25.8% from RMB940.6 million in FY2022 to RMB1,183.0 million in FY2023. This was mainly due to: (a) an increase in direct operating costs for power generation of RMB143.4 million; (b) an increase in cost of provision of design services of RMB6.5 million; (c) an increase in cost of provision of technical and consultancy services of RMB15.0 million; (d) an increase in cost of engineering, procurement and construction services of RMB10.3 million; (e) an increase in cost of finance lease of RMB1.7 million; and (f) an increase in cost of other revenue of RMB65.6 million.

Gross profit and gross profit margin

Our gross profit decreased by approximately RMB54.1 million or 3.7% from RMB1,459.7 million in FY2022 to RMB1,405.6 million in FY2023. Our gross profit margin decreased by 6.5 percentage points from 60.8% in FY2022 to 54.3% in FY2023.

Other income

Other income increased approximately by RMB46.3 million or 79.0% from RMB58.6 million in FY2022 to RMB104.9 million in FY2023. This was mainly due to: (a) an increase in interest revenue of RMB3.6 million; (b) an increase in tax refund government grants of RMB20.5 million; and (c) an increase in guarantee income of RMB1.5 million. This was partially offset by a decrease in other governmental grants of RMB1.2 million.

Other gains and losses

Other gains and losses increased by approximately RMB84.6 million or 26.5%, from RMB319.5 million in FY2022 to RMB404.1 million in FY2023. This was mainly due to: (a) an increase in net gain on disposal / liquidation of subsidiaries of RMB144.2 million; (b) an absence of impairment loss recognised for construction in progress in FY2023; and (c) a reversal from loss to gain on disposal of property, plant and equipment of RMB3.5 million. This was partially offset by: (i) a decrease in change in fair value of financial assets as FVTPL of RMB82.7 million; and (ii) a decrease in exchange gain of RMB20.3 million.

Impairment losses under expected credit loss model, net of reversal

Impairment losses under expected credit loss model increased by RMB2.3 million from a reversal of impairment losses of RMB1.2 million in FY2022 due to a recognition of impairment losses of RMB1.1 million in FY2023.

Distribution and selling expenses

Our distribution and selling expenses increased by approximately RMB1.0 million or 20.5% from RMB5.1 million in FY2022 to RMB6.1 million in FY2023.

Administrative expenses

Our administrative expenses increased by approximately RMB62.2 million or 18.2% from RMB342.3 million in FY2022 to RMB404.5 million in FY2023. This was mainly due to recovery and increase in business travelling expense after Coronavirus Disease 2019, and increase in labour cost due to international / global development strategy.

Finance costs

Our finance costs increased approximately by RMB99.2 million or 18.2%, from RMB545.0 million in FY2022 to RMB644.2 million in FY2023. This was mainly due to: (a) an increase in interest expense on bank borrowings of RMB46.2 million; (b) an increase in interest expense on other borrowings of RMB28.4 million; (c) an increase in interest expense on lease liabilities of RMB5.9 million; and (d) a decrease in interest capitalised of RMB50.1 million. This was partially offset by a decrease in interest expense on senior notes of RMB31.4 million.

Shares of profit of joint ventures

Our shares of profit of joint ventures, net increased by approximately RMB21.7 million or 14.4%, from approximately RMB151.1 million in FY2022 to approximately RMB172.8 million in FY2023.

Shares of profit of associates

Our shares of profit of associates, net decreased by approximately RMB3.0 million or 15.0%, from RMB20.0 million in FY2022 to RMB17.0 million in FY2023.

Income tax credit / (expense)

Our income tax expense decreased by approximately RMB68.6 million or 30.8%, from RMB222.4 million in FY2022 to RMB153.8 million in FY2023.

Profit attributable to equity shareowners of our Company from continuing operations

As a result of the above, profit attributable to equity shareowners of our Company from continuing operations increased by approximately RMB24.9 million or 2.9%, from approximately RMB852.6 million in FY2022 to RMB877.5 million in FY2023.

FY2023 vs FY2024

Revenue from continuing operations

Revenue from continuing operations increased by approximately RMB163.5 million or 6.3%, from RMB2,588.6 million in FY2023 to RMB2,752.1 million in FY2024. This was mainly due to: (a) an increase in revenue from basic electricity price amounting to RMB290.1 million; (b) an increase in revenue from provision of technical and consultancy services amounting to RMB33.4 million; (c) an increase in revenue from provision of design services amounting to RMB18.9 million; and (d) an increase in other revenue of RMB0.2 million. This was partially offset by: (i) a decrease in renewable energy subsidy of RMB38.6 million; (ii) a decrease in sale of green energy certificates to other green energy participants amounting to RMB5.9 million; (iii) a decrease in revenue from engineering, procurement and construction services amounting to RMB129.2 million; and (iv) a decrease in finance lease income of RMB5.5 million.

Cost of sales and services rendered

Cost of sales and services rendered increased by approximately RMB53.2 million or 4.5%, from RMB1,183.0 million in FY2023 to RMB1,236.2 million in FY2024. This was mainly due to: (a) an increase in direct operating costs for power generation of RMB227.2 million; (b) an increase in cost of

provision of design services of RMB11.5 million; and (c) an increase in cost of finance lease of RMB0.8 million. This was partially offset by: (i) a decrease in cost of provision of technical and consultancy services of RMB8.3 million; (ii) a decrease in cost of engineering, procurement and construction services of RMB154.1 million; and (iii) a decrease in cost of other revenue of RMB23.9 million.

Gross profit and gross profit margin

Our gross profit increased by approximately RMB110.2 million or 7.8%, from RMB1,405.6 million in FY2023 to RMB1,515.8 million in FY2024. Our gross profit margin increased by 0.8% from 54.3% in FY2023 to 55.1% in FY2024.

Other income

Other income increased by approximately RMB78.9 million or 75.3%, from RMB104.9 million in FY2023 to RMB183.8 million in FY2024. This was mainly due to: (a) an increase in interest revenue of RMB10.3 million; (b) an increase in other government grants of RMB11.1 million; (c) an increase in compensations of RMB37.9 million; and (d) an increase in other items of other income of RMB2.7 million. This was partially offset by: (i) a decrease in tax refund government grants of RMB2.1 million; (ii) a decrease in guarantee income of RMB0.3 million; and (iii) a decrease in rental income of RMB2.7 million.

Other gains and losses

Other gains and losses decreased by approximately RMB372.4 million or 92.2%, from RMB404.1 million in FY2023 to RMB31.7 million in FY2024. This was mainly due to: (a) a decrease in net gain on disposal / liquidation of subsidiaries of RMB367.6 million; (b) an absence of gain on disposal of an associate amounting to RMB0.1 million (c) a reversal from gain to loss in exchange of RMB6.5 million; (d) impairment losses relating to the disposal subsidiaries classified as held for sale amounting to RMB14.6 million; and (e) a reversal from gain to loss on disposal of property, plant and equipment of RMB4.4 million. This was partially offset by: (i) an increase in change in fair value of financial assets as FVTPL of RMB16.2 million; (ii) a decrease in donation of RMB0.8 million; and (iii) a reversal from loss to gain on other items of gains and loss of RMB3.6 million.

Impairment losses under expected credit loss model, net of reversal

Impairment losses under expected credit loss model decreased by RMB0.4 million from impairment losses of RMB1.1 million in FY2023 to RMB0.7 million in FY2024.

Distribution and selling expenses

Our distribution and selling expenses increased by approximately RMB7.7 million or 125.5%, from RMB6.1 million in FY2023 to RMB13.8 million in FY2024.

Administrative expenses

Our administrative expenses decreased by approximately RMB60.7 million or 15.0%, from RMB404.5 million in FY2023 to RMB343.8 million in FY2024. This was mainly due to savings from cessation of our finance leasing business and strict budget management control on administrative spendings.

Finance costs

Our finance costs increased by approximately RMB39.7 million or 6.2%, from RMB644.2 million in FY2023 to RMB683.9 million in FY2024. This was mainly due to: (a) an increase in interest expense on bank borrowings of RMB83.9 million; (b) an increase in interest expense on lease liabilities of RMB7.3 million; and (c) a decrease in interest capitalised of RMB28.8 million. This was partially offset by: (i) a decrease in interest expense on other borrowings of RMB45.3 million; and (ii) an absence of interest expense on senior notes amounting to a difference of RMB35.1 million.

Shares of profit of joint ventures

Our shares of profit of joint ventures, net decreased by approximately RMB6.3 million or 3.7%, from approximately RMB172.8 million in FY2023 to approximately RMB166.5 million in FY2024.

Shares of profit of associates

Our shares of profit of associates, net decreased by approximately RMB5.8 million or 34.5%, from RMB17.0 million in FY2023 to RMB11.2 million in FY2024.

Income tax credit / (expense)

Our income tax expense reversed from RMB153.8 million in FY2023 to a tax credit of RMB8.8 million in FY2024.

Profit attributable to equity shareowners of our Company from continuing operations

As a result of the above, profit attributable to equity shareowners of our Company from continuing operations decreased approximately by RMB72.4 million or 8.2%, from approximately RMB877.5 million in FY2023 to RMB805.1 million in FY2024.

6M2024 vs 6M2025

Revenue

Revenue decreased by approximately RMB98.5 million or 6.6%, from RMB1,498.9 million in 6M2024 to RMB1,400.3 million in 6M2025. This was mainly due to: (a) a decrease in revenue from basic electricity price amounting to RMB18.1 million; (b) a decrease in sale of green energy certificates to other green energy participants of RMB12.5 million; (c) a decrease in revenue from engineering, procurement and construction services amounting to RMB13.9 million; (d) a decrease in revenue from provision of technical and consultancy services amounting to RMB5.6 million; (e) a decrease in other revenue of RMB53.3 million; and (f) a decrease of finance lease income of RMB8.7 million. This was partially offset by: (i) an increase in renewable energy subsidy of RMB7.0 million; and (ii) an increase in revenue from provision of design services amounting to RMB6.6 million.

Cost of sales and services rendered

Cost of sales and services rendered increased by approximately RMB84.5 million or 13.1%, from RMB646.8 million in 6M2024 to RMB731.3 million in 6M2025. This was mainly due to the increase in operating capacity from 4,050MW to 4,778MW.

Gross profit and gross profit margin

Our gross profit decreased by approximately RMB183.1 million or 21.5%, from RMB852.1 million in 6M2024 to RMB669.0 million in 6M2025. Our gross profit margin decreased by 9.1% from 56.8% in 6M2024 to 47.8% in 6M2025.

Other income

Other income decreased by approximately RMB22.6 million or 29.5%, from RMB76.6 million in 6M2024 to RMB54.0 million in 6M2025. This was mainly due to: (a) a decrease in interest revenue of RMB17.5 million; (b) an absence in gain on transfer of right of use of boosting substations of RMB18.9 million in 6M2024; and (c) a decrease in guarantee income of RMB2.0 million. This was partially offset by: (i) an increase in tax refund government grants of RMB12.8 million; (ii) an increase in other government grants of RMB0.5 million; (iii) an increase in rental income of RMB2.2 million; and (iv) an increase in other items of other income of RMB0.4 million.

Other gains and losses

Other gains and losses increased by approximately RMB24.8 million, from other loss of RMB0.7 million in 6M2024 to other gains of RMB24.1 million in 6M2025. This was mainly due to: (a) a reversal of impairment loss on assets held for sale of RMB14.6 million after reclassified to held-for-use; (b) a net

gain on disposal of a joint venture of RMB11.5 million; (c) a decrease in net exchange loss of RMB2.8 million; (d) a reversal from loss to gain on disposal of property, plant and equipment of RMB0.3 million; and (e) an increase in other items of gains and loss of RMB0.5 million. This was partially offset by: (i) a decrease in change in fair value of financial assets at FVTPL of RMB1.6 million; and (ii) an increase in net loss on disposal or liquidation of subsidiaries of RMB3.2 million.

Impairment losses under expected credit loss model, net of reversal

Impairment losses under expected credit loss model increased by RMB2.3 million from nil in 6M2024 to RMB2.3 million in 6M2025.

Distribution and selling expenses

Our distribution and selling expenses decreased by approximately RMB2.4 million or 39.4%, from RMB6.1 million in 6M2024 to RMB3.7 million in 6M2025.

Administrative expenses

Our administrative expenses decreased by approximately RMB1.8 million or 1.1%, from RMB162.6 million in 6M2024 to RMB160.8 million in 6M2025. This was mainly due to strict budget management control on administrative spendings.

Finance costs

Our finance costs decreased by approximately RMB25.1 million or 7.4%, from RMB340.6 million in 6M2024 to RMB315.5 million in 6M2025. This was mainly due to: (a) a decrease in interest expense on other borrowings of RMB21.6 million; and (b) an increase in interest capitalised of RMB10.3 million. This was partially offset by: (i) an increase in interest expense on bank borrowings of RMB1.2 million; and (ii) an increase in interest expense on lease liabilities of RMB5.6 million.

Shares of profit of joint ventures

Our shares of profit of joint ventures, net decreased by approximately RMB11.9 million or 12.6%, from approximately RMB94.5 million in 6M2024 to approximately RMB82.6 million in 6M2025. This was mainly due to curtailment and electricity pricing challenges faced by the joint ventures of our Group, which are primarily power plants operating in China.

Shares of profit/(loss) of associates

Our shares of profit/(loss) of associates decreased by approximately RMB9.0 million or 110.1%, from a gain of RMB8.2 million in 6M2024 to a loss of RMB0.8 million in 6M2025. This was mainly due to curtailment and electricity pricing challenges faced by the associates that our Group has invested in, which are primarily power plants operating in China.

Income tax credit / (expense)

Our income tax reversed from a tax credit of RMB26.1 million in 6M2024 to a tax expense of RMB54.5 million in 6M2025. This was primarily due to our Company having successfully obtained Hong Kong tax residency status in the first half of 2024. The tax resident status obtained in 2024 is valid for three (3) years, which includes the year 2023. As a result, the applicable withholding tax rate for 2023 was adjusted from 10% to 5%, and the overpaid withholding tax for 2023 was reversed in the first half of 2024, leading to a refund of approximately RMB90 million in withholding tax.

Profit attributable to equity shareowners of our Company

As a result of the above, profit attributable to equity shareowners of our Company decreased approximately by RMB219.4 million or 43.8%, from approximately RMB501.4 million in 6M2024 to RMB281.9 million in 6M2025. The decline in profitability was mainly due to the adverse impact of curtailment and electricity pricing on our power generation business.

REVIEW OF FINANCIAL POSITION

As at 31 December 2022

Non-Current Assets

As at 31 December 2022, our non-current assets amounted to approximately RMB20.5 billion, representing 75.5% of our total assets. Our non-current assets mainly comprised property, plant and equipment, right-of-use assets, intangible assets, interests in associates, interests in joint ventures, prepayments, deposits and other receivables and finance lease receivables.

Property, plant and equipment amounted to approximately RMB14.9 billion, representing 72.5% of our total non-current assets. These mainly comprised buildings, leasehold improvements, plant, machinery and equipment, office furniture and fixtures, motor vehicles and construction in progress.

Right-of-use assets amounted to approximately RMB559.2 million, representing 2.7% of our total non-current assets, and were related to power plant equipment and leasehold lands. Our Group leases various machineries and leasehold lands for our operations.

Intangible assets amounted to approximately RMB788.2 million, representing 3.8% of our total non-current assets, and includes goodwill and other intangible assets. Goodwill mainly arose from the acquisition of China Wind Power Holdings Limited and its subsidiaries on 1 August 2007.

Interests in associates amounted to approximately RMB776.0 million, representing 3.8% of our total non-current assets.

Interest in joint ventures amounted to approximately RMB1,578.1 million, representing 7.7% of our total non-current assets.

Prepayments, deposits and other receivables amounted to approximately RMB1,666.4 million, representing 8.1% of our total non-current assets. These mainly comprised prepayments for purchase of property, plant and equipment, deposits for other borrowings, premium receivables for financial guarantee contracts, deductible VAT, and other deposits, receivables and prepayments.

Finance lease receivables amounted to approximately RMB165.0 million, representing 0.8% of our total non-current assets. The finance lease receivables are secured over the machines and equipment leased.

Current Assets

As at 31 December 2022, our current assets amounted to approximately RMB6,664.5 million, representing 24.5% of our total assets. Our current assets mainly comprised inventories, contract assets, trade and bills receivables, prepayments, deposits and other receivables, amounts due from associates, amounts due from joint ventures, financial assets at fair value through profit or loss, cash and cash equivalents, and restricted deposits.

Inventories amounted to approximately RMB59.2 million, representing 0.9% of our total current assets, and include raw materials, work-in-progress, spare parts and others.

Contract assets amounted to approximately RMB206.7 million, representing 3.1% of our total current assets, and include retention receivables and contract assets arising from performance under construction contracts.

Trade and bills receivables amounted to approximately RMB1,369.6 million, representing 20.6% of our total current assets. These mainly comprised trade receivables from the sale of electricity, provision of construction and other services, tariff adjustment receivables from the sale of electricity to State Grid companies and bills receivables accepted by banks in the PRC to certain suppliers in order to settle the trade payables for these suppliers. Please refer to the section entitled "*Business – Credit Management*" of this Introductory Document for details on the ageing schedule of our trade receivables.

Prepayments, deposits and other receivables amounted to approximately RMB615.5 million, representing 9.2% of our total current assets. These mainly comprised receivables from disposal of subsidiaries, receivables from former subsidiaries, receivables on disposal of a convertible bond, deductible VAT, premium receivables for financial guarantee contracts, and other prepayments, receivables and deposits.

Amount due from associates amounted to approximately RMB85.8 million, representing 1.3% of our total current assets.

Amount due from joint ventures amounted to approximately RMB90.6 million, representing 1.4% of our total current assets.

Financial assets at fair value through profit or loss amounted to approximately RMB138.8 million, representing 2.1% of our total current assets. These mainly comprised unlisted equity securities at fair value, listed equity securities at fair value, and RMB wealth management products.

Cash and cash equivalents amounted to approximately RMB3,471.0 million, representing 52.1% of our total current assets, and includes cash and bank balances less restricted deposits. As at 31 December 2022, the weighted average effective interest rate on the Group's bank balances is 0.25%.

Restricted deposits amounted to approximately RMB578.2 million, representing 8.7% of our total current assets, and include bank acceptance bill deposits and electricity sale guarantee deposits.

Non-Current Liabilities

As at 31 December 2022, our non-current liabilities amounted to approximately RMB12.6 billion, representing 65.8% of our total liabilities. Our non-current liabilities mainly comprised bank borrowings, other borrowings, lease liabilities, and payables for construction in progress, other payables and accruals.

Bank borrowings amounted to approximately RMB1,285.5 million, representing 10.2% of our total non-current liabilities. These mainly comprised secured and unsecured banking borrowings. The secured bank borrowings are secured by certain buildings and power plant equipment of the Group, cash receipts from the sale of electricity by certain of the Group's power plants and certain equity interests in subsidiaries.

Other borrowings amounted to approximately RMB10,321.4 million, representing 82.2% of our total non-current liabilities. Our other borrowings are collateralised by: (a) the transfer of certain ownership titles of property, plant and equipment; (b) financial guarantee contracts in favour of the lenders; (c) security deposits placed with the lenders; and (d) certain equity interest in subsidiaries.

Lease liabilities amounted to approximately RMB98.7 million, representing 0.8% of our total non-current liabilities.

Deferred tax liabilities amounted to approximately RMB93.5 million, representing 0.7% of our total non-current liabilities.

Payables for construction in progress, other payables and accruals amounted to approximately RMB746.0 million, representing 5.9% of our total non-current liabilities. These mainly comprised payables for construction in progress, retention payables, deposits received for disposal of subsidiaries, and other payables and accruals.

Current Liabilities

As at 31 December 2022, our current liabilities amounted to approximately RMB6,517.0 million, representing 34.2% of our total liabilities. Our current liabilities mainly comprised trade and bills payables, payables for construction in progress, other payables and accruals, contract liabilities, bank borrowings, other borrowings, senior notes, and current income tax liabilities.

Trade and bills payable amounted to approximately RMB1,262.6 million, representing 19.4% of our total current liabilities.

Payables for construction in progress, other payables and accruals amounted to approximately RMB2,736.5 million, representing 42.0% of our total current liabilities. These mainly comprised payables for construction in progress, retention payables, deposits received for disposal of subsidiaries, and other payables and accruals.

Contract liabilities amounted to RMB59.3 million, representing 0.9% of our total current liabilities.

Bank borrowings amounted to approximately RMB979.4 million, representing 15.0% of our total current liabilities. These mainly comprised secured and unsecured banking borrowings. The secured bank borrowings are secured by certain buildings and power plant equipment of the Group, cash receipts from the sale of electricity by certain of the Group's power plants and certain equity interests in subsidiaries.

Other borrowings amounted to approximately RMB734.8 million, representing 11.3% of our total current liabilities. Our other borrowings are collateralised by: (a) transfer of certain ownership titles of property, plant and equipment; (b) financial guarantee contracts in favour of the lenders; (c) security deposits placed with the lenders; and (d) certain equity interest in subsidiaries.

Senior notes amounted to approximately RMB618.9 million, representing 9.5% of our total current liabilities. The senior notes were redeemed by our Group on 26 April 2023 at a redemption price equal to 100% of the principal amount of the senior notes redeemed plus the applicable premium as of, and accrued and unpaid interest.

Current income tax liabilities amounted to approximately RMB101.7 million, representing 1.6% of our total current liabilities.

Total Equity

As at 31 December 2022, our total equity amounted to approximately RMB8,094.9 million, which mainly comprised share capital, reserves and non-controlling interests of approximately RMB77.4 million, RMB7,754.3 million, and RMB263.1 million respectively.

As at 31 December 2023

Non-Current Assets

As at 31 December 2023, our non-current assets amounted to approximately RMB24.2 billion, representing 77.6% of our total assets. Our non-current assets mainly comprised property, plant and equipment, right-of-use assets, intangible assets, interests in associates, interests in joint ventures, prepayments, deposits and other receivables, and finance lease receivables.

Property, plant and equipment amounted to approximately RMB17.8 billion, representing 73.2% of our total non-current assets. These mainly comprised buildings, leasehold improvements, plant, machinery and equipment, office furniture and fixtures, motor vehicles and construction in progress.

Right-of-use assets amounted to approximately RMB949.9 million, representing 3.9% of our total non-current assets, and were related to power plant equipment, leasehold lands and buildings. Our Group leases various machineries and leasehold lands for our operations.

Intangible assets amounted to approximately RMB716.0 million, representing 3.0% of our total non-current assets, and includes goodwill and other intangible assets. The goodwill mainly arose from the acquisition of China Wind Power Holdings Limited and its subsidiaries on 1 August 2007.

Interests in associates amounted to approximately RMB758.3 million, representing 3.1% of our total non-current assets.

Interest in joint ventures amounted to approximately RMB2,082.5 million, representing 8.6% of our total non-current assets.

Prepayments, deposits and other receivables amounted to approximately RMB1,621.1 million, representing 6.7% of our total non-current assets. These mainly comprised prepayments for purchase of property, plant and equipment, deposits for other borrowings, premium receivables for financial guarantee contracts, deductible VAT, and other deposits and prepayments.

Finance lease receivables amounted to approximately RMB269.8 million, representing 1.1% of our total non-current assets. The finance lease receivables are secured over the machines and equipment leased.

Current Assets

As at 31 December 2023, our current assets amounted to approximately RMB6,986.4 million, representing 22.4% of our total assets. Our current assets mainly comprised contract assets, trade and bills receivables, prepayments, deposits and other receivables, financial lease receivables, amounts due from associates, amounts due from joint ventures, financial assets at fair value through profit or loss, cash and cash equivalents, and restricted deposits.

Contract assets amounted to approximately RMB116.2 million, representing 1.7% of our total current assets, and includes retention receivables and contract assets arising from performance under construction contracts.

Trade and bills receivables amounted to approximately RMB1,415.9 million, representing 20.3% of our total current assets. These mainly comprised trade receivables from the sale of electricity, provision of construction and other services, tariff adjustment receivables from the sale of electricity to State Grid companies and bills receivables accepted by banks in the PRC to certain suppliers in order to settle the trade payables for these suppliers. Please refer to the section entitled "*Business – Credit Management*" of this Introductory Document for details on the ageing schedule of our trade receivables.

Prepayments, deposits and other receivables amounted to approximately RMB926.9 million, representing 13.3% of our total current assets. These mainly comprised receivables from disposal of subsidiaries, receivables from former subsidiaries, receivables on disposal of a convertible bond, deductible VAT, premium receivables for financial guarantee contracts, and other prepayments, receivables and deposits.

Financial lease receivables amounted to approximately RMB50.3 million, representing 0.7% of our total current assets.

Amount due from associates amounted to approximately RMB50.8 million, representing 0.7% of our total current assets.

Amount due from joint ventures amounted to approximately RMB304.9 million, representing 4.4% of our total current assets.

Financial assets at fair value through profit or loss amounted to approximately RMB154.5 million, representing 2.2% of our total current assets. These mainly comprised unlisted equity securities at fair value and listed equity securities at fair value.

Cash and cash equivalents amounted to approximately RMB2,445.5 million, representing 35.0% of our total current assets, and includes cash and bank balances less restricted deposits. As at 31 December 2023, the weighted average effective interest rate on the Group's bank balances is 0.20%.

Restricted deposits amounted to approximately RMB1,457.5 million, representing 20.9% of our total current assets.

Non-Current Liabilities

As at 31 December 2023, our non-current liabilities amounted to approximately RMB15.9 billion, representing 69.8% of our total liabilities. Our non-current liabilities mainly comprised bank borrowings, other borrowings, lease liabilities, deferred tax liabilities, and payables for construction in progress, other payables and accruals.

Bank borrowings amounted to approximately RMB2,809.1 million, representing 17.6% of our total non-current liabilities. These mainly comprised secured and unsecured banking borrowings. The secured bank borrowings are secured by certain buildings and power plant equipment of the Group, cash receipts from the sale of electricity by certain of the Group's power plants and certain equity interests in subsidiaries.

Other borrowings amounted to approximately RMB11,856.9 million, representing 74.5% of our total non-current liabilities. Our other borrowings are collateralised by: (a) the transfer of certain ownership titles of property, plant and equipment; (b) financial guarantee contracts in favour of the lenders; (c) security deposits placed with the lenders; and (d) certain equity interest in subsidiaries.

Lease liabilities amounted to approximately RMB135.5 million, representing 0.9% of our total non-current liabilities.

Deferred tax liabilities amounted to approximately RMB57.7 million, representing 0.4% of our total non-current liabilities.

Payables for construction in progress, other payables and accruals amounted to approximately RMB1,050.7 million, representing 6.6% of our total non-current liabilities. These mainly comprised payables for construction in progress, retention payables, deposits received for disposal of subsidiaries, and other payables and accruals.

Current Liabilities

As at 31 December 2023, our current liabilities amounted to approximately RMB6,878.6 million, representing 30.2% of our total liabilities. Our current liabilities mainly comprised trade and bills payables, payables for construction in progress, other payables and accruals, contract liabilities, bank borrowings, other borrowings, and current income tax liabilities.

Trade and bills payable amounted to approximately RMB1,672.3 million, representing 24.3% of our total current liabilities.

Payables for construction in progress, other payables and accruals amounted to approximately RMB3,084.4 million, representing 44.8% of our total current liabilities. These mainly comprised payables for construction in progress, retention payables, deposits received for disposal of subsidiaries, and other payables and accruals.

Contract liabilities amounted to RMB52.5 million, representing 0.8% of our total current liabilities.

Bank borrowings amounted to approximately RMB973.3 million, representing 14.1% of our total current liabilities. The secured bank borrowings are secured by certain buildings and power plant equipment of the Group, cash receipts from the sale of electricity by certain of the Group's power plants and certain equity interests in subsidiaries.

Other borrowings amounted to approximately RMB895.8 million, representing 13.0% of our total current liabilities. Our other borrowings are collateralised by: (a) transfer of certain ownership titles of property, plant and equipment; (b) financial guarantee contracts in favour of the lenders; (c) security deposits placed with the lenders; and (d) certain equity interest in subsidiaries.

Current income tax liabilities amounted to approximately RMB138.0 million, representing 2.0% of our total current liabilities.

Total Equity

As at 31 December 2023, our total equity amounted to approximately RMB8,435.4 million, mainly comprised share capital, reserves and non-controlling interests of approximately RMB72.6 million, RMB8,210.4 million and RMB152.4 million, respectively.

As at 31 December 2024

Non-Current Assets

As at 31 December 2024, our non-current assets amounted to approximately RMB24.0 billion, representing 74.7% of our total assets. Our non-current assets mainly comprised property, plant and equipment, right-of-use assets, intangible assets, interests in associates, interests in joint ventures, financial assets at fair value through profit or loss, prepayments, deposits and other receivables, finance lease receivables and deferred tax assets.

Property, plant and equipment amounted to approximately RMB17.2 billion, representing 71.9% of our total non-current assets. These mainly comprised buildings, leasehold improvements, plant, machinery and equipment, office furniture and fixtures, motor vehicles and construction in progress.

Right-of-use assets amounted to approximately RMB1,400.3 million, representing 5.8% of our total non-current assets, and were related to power plant equipment, leasehold lands and buildings. Our Group leases various machineries and leasehold lands for our operations.

Intangible assets amounted to approximately RMB659.8 million, representing 2.8% of our total non-current assets, and includes goodwill and other intangible assets. The goodwill mainly arose from the acquisition of China Wind Power Holdings Limited and its subsidiaries on 1 August 2007.

Interests in associates amounted to approximately RMB761.9 million, representing 3.2% of our total non-current assets.

Interest in joint ventures amounted to approximately RMB2,147.3 million, representing 9.0% of our total non-current assets.

Financial assets at fair value through profit or loss amounted to RMB125.2 million, representing 0.5% of our total non-current assets.

Prepayments, deposits and other receivables amounted to approximately RMB1,392.8 million, representing 5.8% of our total non-current assets. These mainly comprised prepayments for purchase of property, plant and equipment, deposits for other borrowings, premium receivables for financial guarantee contracts, deductible VAT, and other deposits and prepayments.

Finance lease receivables amounted to approximately RMB177.7 million, representing 0.7% of our total non-current assets. The finance lease receivables are secured over the machines and equipment leased.

Deferred tax assets amounted to approximately RMB61.3 million, representing 0.3% of our total non-current assets.

Current Assets

As at 31 December 2024, our current assets amounted to approximately RMB8,144.1 million, representing 25.3% of our total assets. Our current assets mainly comprised contract assets, trade and bills receivables, prepayments, deposits and other receivables, amounts due from associates, amounts due from joint ventures, financial assets at fair value through profit or loss, cash and cash equivalents, restricted deposits and assets held for sale.

Contract assets amounted to approximately RMB78.8 million, representing 1.0% of our total current assets, and includes retention receivables and contract assets arising from performance under construction contracts.

Trade and bills receivables, amounted to approximately RMB1,648.8 million, representing 20.2% of our total current assets. These mainly comprised trade receivables from the sale of electricity, provision of construction and other services, tariff adjustment receivables from the sale of electricity to State Grid companies and bills receivables accepted by banks in the PRC to certain suppliers in order to settle the trade payables for these suppliers. Please refer to the section entitled "*Business – Credit Management*" of this Introductory Document for details on the ageing schedule of our trade receivables.

Prepayments, deposits and other receivables amounted to approximately RMB929.9 million, representing 11.4% of our total current assets. These mainly comprised receivables from disposal of subsidiaries, receivables from former subsidiaries, deductible VAT, premium receivables for financial guarantee contracts, and other prepayments, receivables and deposits.

Amount due from associates amounted to approximately RMB53.1 million, representing 0.7% of our total current assets.

Amount due from joint ventures amounted to approximately RMB287.1 million, representing 3.5% of our total current assets.

Financial assets at fair value through profit or loss amounted to approximately RMB55.7 million, representing 0.7% of our total current assets. These mainly comprised unlisted equity securities at fair value.

Cash and cash equivalents amounted to approximately RMB1,693.8 million, representing 20.8% of our total current assets, and includes cash and bank balances less restricted deposits. As at 31 December 2024, the weighted average effective interest rate on the Group's bank balances is 0.15%.

Restricted deposits amounted to approximately RMB535.4 million, representing 6.6% of our total current assets.

Assets held for sale amounted to approximately RMB2,777.9 million, representing 34.1% of our total current assets. These mainly comprised the assets attributable to three (3) subsidiaries within the Power Generation segment, being Yilan County Concord Wind Power Generation Co., Ltd, Dachaidan Concord Wind Power Generation Co. Ltd and Tonghe Juting (collectively, the "**Disposal Subsidiaries**"), in which the Group is in the process of disposing of its equity interests.

Non-Current Liabilities

As at 31 December 2024, our non-current liabilities amounted to approximately RMB15.3 billion, representing 65.8% of our total liabilities. Our non-current liabilities mainly comprised bank borrowings, other borrowings, lease liabilities, and payables for construction in progress, other payables and accruals.

Bank borrowings amounted to approximately RMB4,809.6 million, representing 31.5% of our total non-current liabilities. These mainly comprised secured and unsecured banking borrowings. The secured bank borrowings are secured by certain buildings and power plant equipment of the Group, cash receipts from the sale of electricity by certain of the Group's power plants and certain equity interests in subsidiaries.

Other borrowings amounted to approximately RMB9,296.0 million, representing 60.8% of our total non-current liabilities. Our other borrowings are collateralised by: (a) the transfer of certain ownership titles of property, plant and equipment; (b) financial guarantee contracts in favour of the lenders; (c) security deposits placed with the lenders; and (d) certain equity interest in subsidiaries.

Lease liabilities amounted to approximately RMB418.5 million, representing 2.7% of our total non-current liabilities.

Payables for construction in progress, other payables and accruals amounted to approximately RMB730.1 million, representing 4.8% of our total non-current liabilities. These mainly comprised payables for construction in progress, retention payables, payables for acquisition of a subsidiary, and other payables and accruals.

Current Liabilities

As at 31 December 2024, our current liabilities amounted to approximately RMB7,940.3 million, representing 34.2% of our total liabilities. Our current liabilities mainly comprised mainly of trade and bills payables, payables for construction in progress, other payables and accruals, amounts due to joint ventures, bank borrowings, other borrowings, current income tax liabilities and liabilities directly associated with the assets held for sale.

Trade and bills payable amounted to approximately RMB589.0 million, representing 7.4% of our total current liabilities.

Payables for construction in progress, other payables and accruals amounted to approximately RMB2,552.2 million, representing 32.1% of our total current liabilities. These mainly comprised payables for construction in progress, retention payables, payables for acquisition of a subsidiary, and other payables and accruals.

Amounts due to joint ventures amounted to approximately 52.0 million, representing 0.7% of our total current liabilities.

Bank borrowings amounted to approximately RMB925.0 million, representing 11.6% of our total current liabilities. The secured bank borrowings are secured by certain buildings and power plant equipment of the Group, cash receipts from the sale of electricity by certain of the Group's power plants, and certain equity interests in subsidiaries.

Other borrowings amounted to approximately RMB1,167.2 million, representing 14.7% of our total current liabilities. Our other borrowings are collateralised by: (a) transfer of certain ownership titles of property, plant and equipment; (b) financial guarantee contracts in favour of the lenders; (c) security deposits placed with the lenders; and (d) certain equity interest in subsidiaries.

Current income tax liabilities amounted to approximately RMB50.6 million, representing 0.6% of our total current liabilities.

Liabilities directly associated with the assets held for sale amounted to approximately RMB2,541.8 million, representing 32.0% of our total current liabilities. These mainly comprised the liabilities attributable to the three (3) Disposal Subsidiaries within the Power Generation segment, which the Group is in the process of disposing of its equity interests.

Total Equity

As at 31 December 2024, our total equity amounted to approximately RMB8,906.3 million, mainly comprising share capital, reserves and non-controlling interests of approximately RMB68.4 million, RMB8,646.6 million and RMB191.4 million, respectively.

As at 30 June 2025

Non-Current Assets

As at 30 June 2025, our non-current assets amounted to approximately RMB27.3 billion, representing 82.2% of our total assets. Our non-current assets mainly comprised property, plant and equipment, right-of-use assets, intangible assets, interests in associates, interests in joint ventures, financial assets at fair value through profit or loss, prepayments, deposits and other receivables, finance lease receivables and deferred tax assets.

Property, plant and equipment amounted to approximately RMB20.4 billion, representing 74.8% of our total non-current assets. These mainly comprised buildings, leasehold improvements, plant, machinery and equipment, office furniture and fixtures, motor vehicles and construction in progress.

Right-of-use assets amounted to approximately RMB1,576.4 million, representing 5.8% of our total non-current assets, and were related to power plant equipment, leasehold lands and buildings. Our Group leases various machineries and leasehold lands for our operations.

Intangible assets amounted to approximately RMB705.6 million, representing 2.6% of our total non-current assets, and includes goodwill and other intangible assets. The goodwill mainly arose from the acquisition of China Wind Power Holdings Limited and its subsidiaries on 1 August 2007.

Interests in associates amounted to approximately RMB752.9 million, representing 2.8% of our total non-current assets.

Interest in joint ventures amounted to approximately RMB2,019.5 million, representing 7.4% of our total non-current assets.

Financial assets at fair value through profit or loss amounted to RMB125.2 million, representing 0.5% of our total non-current assets.

Prepayments, deposits and other receivables amounted to approximately RMB1,487.8 million, representing 5.4% of our total non-current assets. These mainly comprised prepayments for purchase of property, plant and equipment, deposits for other borrowings, premium receivables for financial guarantee contracts, deductible VAT, and other deposits and prepayments.

Finance lease receivables amounted to approximately RMB133.1 million, representing 0.5% of our total non-current assets. The finance lease receivables are secured over the machines and equipment leased.

Deferred tax assets amounted to approximately RMB86.2 million, representing 0.3% of our total non-current assets.

Current Assets

As at 30 June 2025, our current assets amounted to approximately RMB5,901.2 million, representing 17.8% of our total assets. Our current assets mainly comprised contract assets, trade and bills receivables, prepayments, deposits and other receivables, amounts due from joint ventures, financial assets at fair value through profit or loss, cash and cash equivalents, restricted deposits and assets held for sale.

Contract assets amounted to approximately RMB55.9 million, representing 0.9% of our total current assets, and includes retention receivables and contract assets arising from performance under construction contracts.

Trade and bills receivables amounted to approximately RMB1,743.8 million, representing 29.6% of our total current assets. These mainly comprised trade receivables from the sale of electricity, provision of construction and other services, tariff adjustment receivables from the sale of electricity to State Grid companies and bills receivables accepted by banks in the PRC to certain suppliers in order to settle the trade payables for these suppliers. Please refer to the section entitled "*Business – Credit Management*" of this Introductory Document for details on the ageing schedule of our trade receivables.

Prepayments, deposits and other receivables amounted to approximately RMB1,097.4 million, representing 18.6% of our total current assets. These mainly comprised receivables from disposal of subsidiaries, receivables from former subsidiaries, deductible VAT, premium receivables for financial guarantee contracts, and other prepayments, receivables and deposits.

Amount due from joint ventures amounted to approximately RMB444.1 million, representing 7.5% of our total current assets.

Financial assets at fair value through profit or loss amounted to approximately RMB83.7 million, representing 1.4% of our total current assets. These mainly comprised unlisted equity securities at fair value.

Cash and cash equivalents amounted to approximately RMB1,983.1 million, representing 33.6% of our total current assets, and includes cash and bank balances less restricted deposits. As at 30 June 2025, the weighted average effective interest rate on the Group's bank balances is 0.1%.

Restricted deposits amounted to approximately RMB338.6 million, representing 5.7% of our total current assets.

Assets held for sale amounted to approximately RMB84.9 million, representing 1.4% of our total current assets. These mainly comprised the assets attributable to one (1) subsidiary within the power generation segment.

Non-Current Liabilities

As at 30 June 2025, our non-current liabilities amounted to approximately RMB18.9 billion, representing 77.6% of our total liabilities. Our non-current liabilities mainly comprised mainly of bank borrowings, other borrowings, lease liabilities, and payables for construction in progress, other payables and accruals.

Bank borrowings amounted to approximately RMB6,206.2 million, representing 32.9% of our total non-current liabilities. These mainly comprised secured and unsecured banking borrowings. The secured bank borrowings are secured by certain buildings and power plant equipment of the Group, cash receipts from the sale of electricity by certain of the Group's power plants and certain equity interests in subsidiaries.

Other borrowings amounted to approximately RMB11.5 billion, representing 61.0% of our total non-current liabilities. Our other borrowings are collateralised by: (a) the transfer of certain ownership titles of property, plant and equipment; (b) financial guarantee contracts in favour of the lenders; (c) security deposits placed with the lenders; and (d) certain equity interest in subsidiaries.

Lease liabilities amounted to approximately RMB498.1 million, representing 2.6% of our total non-current liabilities.

Payables for construction in progress, other payables and accruals amounted to approximately RMB633.2 million, representing 3.4% of our total non-current liabilities. These mainly comprised payables for construction in progress, retention payables, payables for acquisition of a subsidiary, and other payables and accruals.

Current Liabilities

As at 30 June 2025, our current liabilities amounted to approximately RMB5,441.4 million, representing 22.4% of our total liabilities. Our current liabilities mainly comprised mainly of trade and bills payables, payables for construction in progress, other payables and accruals, bank borrowings, other borrowings and lease liabilities.

Trade and bills payable amounted to approximately RMB468.7 million, representing 8.6% of our total current liabilities.

Payables for construction in progress, other payables and accruals amounted to approximately RMB2,579.5 million, representing 47.4% of our total current liabilities. These mainly comprised payables for construction in progress, retention payables, payables for acquisition of a subsidiary, and other payables and accruals.

Bank borrowings amounted to approximately RMB1,012.6 million, representing 18.6% of our total current liabilities. The secured bank borrowings are secured by certain buildings and power plant equipment of the Group, cash receipts from the sale of electricity by certain of the Group's power plants, and certain equity interests in subsidiaries.

Other borrowings amounted to approximately RMB1,129.4 million, representing 20.8% of our total current liabilities. Our other borrowings are collateralised by: (a) transfer of certain ownership titles of

property, plant and equipment; (b) financial guarantee contracts in favour of the lenders; (c) security deposits placed with the lenders; and (d) certain equity interest in subsidiaries.

Lease liabilities amounted to approximately RMB61.9 million, representing 1.1% of our total current liabilities.

Total Equity

As at 30 June 2025, our total equity amounted to approximately RMB8,900.0 million, mainly comprising share capital, reserves and non-controlling interests of approximately RMB67.4 million, RMB8,645.2 million and RMB187.5 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

During the Period Under Review, our Group have funded our operations and growth primarily through cash generated from our operations, cash generated from financing activities, and shareholder's equity (including retained profits). Our principal uses of cash have been for the: (a) financing of working capital; (b) capital expenditures; (c) acquisitions; and (d) dividend payments. To ensure that our Group has sufficient funds to meet our contractual and financial obligations, we monitor closely our net operating cash flows and maintain a level of cash and cash equivalents deemed adequate by management for our working capital requirements.

Based on the unaudited consolidated statement of financial position as at 30 June 2025, our Group had cash and cash equivalents of approximately RMB1,983.1 million and indebtedness of approximately RMB20.4 billion, comprising mainly borrowings of approximately RMB19.9 billion and lease liabilities of approximately RMB560.0 million. Please refer to the section entitled "*Capitalisation and Indebtedness*" of this Introductory Document for further details on our banking facilities.

In assessing whether our Group has sufficient working capital (being our ability to access cash and other available liquid resources to meet our liabilities as they fall due, including our capital expenditures), our Directors have considered the following:

- (a) the cash flows generated from our Group's operations of approximately RMB2,190.8 million and RMB1,040.9 million in FY2024 and 6M2025 respectively;
- (b) our Group's cash and cash equivalents of approximately RMB1,983.1 million as at 30 June 2025;
- (c) our Group's current assets of RMB5,901.2 million and current liabilities of approximately RMB5,441.4 million as at 30 June 2025, and our Group's ability to repay our current liabilities when due;
- (d) the available banking facilities from financial institutions, which mainly comprise long-term project financing facilities entered into for the purpose of financing the Group's capital expenditures;
- (e) our Group's capital expenditure commitments of approximately RMB2,374.7 million as at 30 June 2025; and
- (f) the payment of the final dividend of HK\$0.035 per ordinary share in respect of FY2024 amounting to RMB251.4 million on 4 July 2025.

Having considered the factors above and having made due and careful enquiries, our Directors are of the opinion that the working capital available to our Group as at the date of issuance of this Introductory Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on the SGX-ST.

We set out below a summary of our consolidated statements of cash flows for the Period Under Review.

(RMB'000)	FY2022	Audited FY2023	FY2024	Unaudited 6M2024	6M2025
Net cash generated from operating activities	2,400,050	1,580,634	2,190,825	849,097	1,040,855
Net cash generated used in investing activities	(3,771,645)	(4,587,639)	(3,418,196)	(2,136,256)	(1,334,527)
Net cash generated from financing activities	1,277,304	1,973,670	525,043	1,184,739	527,487
Net increase / (decrease) in cash and cash equivalents	(94,291)	(1,033,335)	(702,328)	(102,420)	233,815
Cash and cash equivalents at beginning of year/period	3,510,470	3,471,039	2,445,465	2,445,465	1,753,786
Effect of foreign exchange rate changes	54,860	7,761	10,649	(5,987)	(4,393)
Cash and cash equivalents at the end of the year/period	3,471,039	2,445,465	1,753,786⁽¹⁾	2,337,058	1,983,208⁽²⁾

Notes:

- (1) Including cash and cash equivalents attributable to disposal subsidiaries classified as held for sale of RMB59.952 million.
- (2) Including cash and cash equivalents attributable to disposal subsidiaries classified as held for sale of RMB0.112 million.

FY2022

In FY2022, our net cash flows generated from operating activities of approximately RMB2,400.1 million was due to operating cash inflow before working capital changes of approximately RMB1,797.1 million, adjusted for: (A) net working capital inflow of approximately RMB729.9 million; and (B) income tax paid of approximately RMB126.9 million. The net working capital inflow was mainly due to: (a) a decrease in trade and bills receivables of RMB24.0 million; (b) a decrease in prepayments, deposits and other receivables of RMB678.6 million; (c) a decrease in contract assets of RMB139.1 million; and (d) an increase in trade and bills payable of RMB184.4 million. This was partially offset by cash outflow from: (i) an increase in inventories of RMB31.5 million; (ii) an increase in finance lease receivables of RMB89.0 million; (iii) an increase in amounts due from joint ventures of RMB23.1 million; (iv) a decrease in other payables and accruals of RMB72.2 million; and (v) a decrease in contract liabilities of RMB80.0 million.

Net cash used in investing activities amounted to approximately RMB3,771.6 million, mainly due to: (a) payments for property, plant and equipment of RMB4,254.0 million; (b) payments for right-of-use assets of RMB109.3 million; (c) capital injection to joint ventures and an associates of RMB300.0 million; (d) payments for acquisition of other financial assets of RMB6,028.8 million; and (e) placement of restricted deposits of RMB578.2 million. This was partially offset by: (i) net cash inflow on disposal/liquidation of subsidiaries of RMB711.5 million; (ii) proceeds from disposal of other financial assets of RMB6,049.0 million; (iii) dividends received from joint ventures and an associate of RMB54.0 million; (iv) proceeds from dividends received from disposed subsidiaries of RMB14.6 million; (v) interest received of RMB27.4 million; and (vi) withdrawal of restricted deposits of RMB641.0 million.

Net cash flows generated from financing activities amounted to approximately RMB1,277.3 million, mainly due to: (a) proceeds from banking borrowings of RMB1,190.3 million; (b) proceeds from other borrowings of RMB3,084.5 million; and (c) contributions by non-controlling interests of RMB160.3 million. This was partially offset by: (i) payment for repurchase of shares of the Company of RMB239.5 million; (ii) repayment of bank borrowings of RMB253.8 million; (iii) repayment of other borrowings of RMB1,531.4 million; (iv) placement of deposits of RMB49.7 million; (v) repayment of lease liabilities of RMB12.0 million; (vi) repayment of outstanding convertible loan of RMB112.2 million; (vii) dividends paid to equity shareholders of the Company of RMB231.3 million; (viii) dividends paid to non-controlling interests of RMB23.2 million; (ix) payment for acquisitions of non-controlling interests of subsidiaries of RMB74.7 million; and (x) interest paid of RMB637.0 million.

As a result of the above, there was a net decrease of approximately RMB94.3 million in cash and cash equivalents. As at 31 December 2022, our cash and cash equivalents amounted to approximately RMB3,471.0 million.

FY2023

In FY2023, our net cash flows generated from operating activities of approximately RMB1,580.6 million was due to operating cash inflow before working capital changes of approximately RMB1,844.9 million, adjusted for: (A) net working capital outflow of approximately RMB88.0 million; and (B) income tax paid of approximately RMB176.3 million. The net working capital outflow was mainly due to: (a) an increase in inventory of RMB26.5 million; (b) an increase in trade and bills receivables of RMB399.4 million; (c) an increase in prepayments, deposits and other receivables of RMB359.1 million; (d) an increase in financial lease receivables of RMB122.5 million; and (e) an increase in amounts due from joint ventures RMB125.4 million. This was partially offset by cash inflow from: (i) a decrease in contract assets of RMB86.7 million; (ii) a decrease in loan receivables of RMB13.0 million; (iii) a decrease in amounts due from associates of RMB33.6 million; (iv) an increase in trade and bills payables of RMB478.9 million; (v) an increase in other payables and accruals of RMB306.2 million; and (vi) an increase in amounts due to joint ventures RMB35.4 million.

Net cash used in investing activities amounted to approximately RMB4,587.6 million, mainly due to: (a) payments for property, plant and equipment of RMB3,752.1 million; (b) payments for right-of-use assets of RMB443.1 million; (c) payments for acquisition of other financial assets of RMB3,126.0 million; and (d) placement of restricted deposits of RMB1,457.5 million. This was partially offset by: (i) net cash inflow on disposal/liquidation of subsidiaries of RMB298.6 million; (ii) net proceeds from disposal of property, plant and equipment of RMB14.7 million; (iii) proceeds from disposal of other financial assets of RMB3,134.5 million; (iv) dividends received from joint ventures and an associates of RMB57.6 million; (v) proceeds from dividends received from disposed subsidiaries of RMB75.5 million; (vi) interest received of RMB31.0 million; and (vii) withdrawal of restricted deposits of RMB578.2 million.

Net cash flows generated from financing activities amounted to approximately RMB1,973.7 million, mainly due to: (a) proceeds from banking borrowings of RMB3,115.3 million; (b) proceeds from other borrowings of RMB4,783.6 million; (c) withdrawal of deposits of RMB57.2 million; and (d) contribution by non-controlling interest of RMB58.3 million. This was partially offset by: (i) payment for repurchase of shares of the Company of RMB301.0 million; (ii) repayment of bank borrowings of RMB1,455.7 million; (iii) repayment of other borrowings of RMB2,402.9 million; (iv) repayment of leases liabilities of RMB17.4 million; (v) repayment of senior notes of RMB618.5 million; (vi) dividends paid to equity shareholders of the Company of RMB278.5 million; (vii) dividends paid to non-controlling interests of RMB26.6 million; (viii) payment for acquisitions of non-controlling interests of subsidiaries of RMB214.8 million; and (ix) interest paid of RMB733.4 million.

As a result of the above, there was a net decrease of approximately RMB1,033.3 million in cash and cash equivalents. As at 31 December 2023, our cash and cash equivalents amounted to approximately RMB2,445.5 million.

FY2024

In FY2024, our net cash flows generated from operating activities of approximately RMB2,190.8 million was due to operating cash inflow before working capital changes of approximately RMB2,198.8 million, adjusted for: (A) net working capital inflow of approximately RMB125.1 million; and (B) income tax paid of approximately RMB133.1 million. The net working capital inflow was mainly due to: (a) a decrease in contract assets of RMB37.4 million; (b) a decrease in loan receivables of RMB20.8 million; (c) a decrease in finance lease receivables of RMB94.3 million; (d) an increase in trade and bills payables of RMB421.3 million; (e) an increase in other payables and accruals of RMB104.1 million; and (f) an increase in amounts due to joint ventures of RMB23.0 million. This was partially offset by cash outflow from: (i) an increase in inventories of RMB106.5 million; (ii) an increase in trade and bills receivables of RMB436.1 million; and (iii) a decrease in contract liabilities of RMB27.5 million.

Net cash used in investing activities amounted to approximately RMB3,418.2 million, mainly due to: (a) payments for property, plant and equipment of RMB4,259.3 million; (b) payments for right-of-use assets

of RMB245.2 million; (c) payments for acquisition of a subsidiary of RMB23.7 million; (d) payments for acquisition of other financial assets of RMB2,504.2 million; and (e) placement of restricted deposits of RMB535.4 million. This was partially offset by: (i) net cash inflow on disposal/liquidation of subsidiaries of RMB52.1 million; (ii) proceeds from disposal of other financial assets of RMB2,526.4 million; (iii) dividends received from joint ventures and associates of RMB48.3 million; (iv) proceeds from dividends received from disposed subsidiaries of RMB24.8 million; (v) interest received of RMB41.3 million; and (vi) withdrawal of restricted deposits of RMB1,457.5 million.

Net cash flows generated from financing activities amounted to approximately RMB525.0 million, mainly due to: (a) proceeds from banking borrowings of RMB4,131.0 million; (b) proceeds from other borrowings of RMB2,313.8 million; (c) withdrawal of deposits of RMB38.4 million; and (d) contributions by non-controlling interests of RMB90.0 million. This was partially offset by: (i) payment for repurchase of shares of the Company of RMB68.1 million; (ii) repayment of bank borrowings of RMB1,359.6 million; (iii) repayment of other borrowings of RMB3,470.4 million; (iv) repayment of lease liabilities of RMB32.0 million; (v) dividends paid to equity shareholders of the Company of RMB258.9 million; (vi) dividends paid to non-controlling interest of RMB65.9 million; (vii) payment for acquisitions of non-controlling interests of subsidiaries of RMB85.0 million; and (viii) interest paid of RMB708.2 million.

As a result of the above, there was a net decrease of approximately RMB702.3 million in cash and cash equivalents. As at 31 December 2024, our cash and cash equivalents amounted to approximately RMB1,693.8 million.

6M2024

In 6M2024, our net cash flows generated from operating activities of approximately RMB849.1 million was due to operating cash inflow before working capital changes of approximately RMB775.7 million, adjusted for: (A) net working capital inflow of approximately RMB210.1 million; and (B) income tax paid of approximately RMB136.7 million. The net working capital inflow was mainly due to: (a) a decrease in contract assets of RMB15.5 million; (b) a decrease in loan receivables of RMB9.9 million; (c) a decrease in inventories of RMB13.3 million; (d) an increase in trade and bills payables of RMB100.8 million; (e) an increase in other payables and accruals of RMB570.0 million; and (f) an increase in amounts due to joint ventures of RMB30.6 million. This was partially offset by cash outflow from: (i) an increase in finance lease receivables of RMB13.8 million; (ii) an increase in trade and bills receivables of RMB436.6 million; and (iii) a decrease in contract liabilities of RMB11.1 million.

Net cash used in investing activities amounted to approximately RMB2,136.3 million, mainly due to: (a) payments for property, plant and equipment of RMB2,544.9 million; (b) payments for right-of-use assets of RMB150.7 million; (c) payments for acquisition of other financial assets of RMB1,643.9 million; (d) placement of restricted deposits of RMB461.6 million; and (e) net amounts used in other investing activities of RMB112.4 million. This was partially offset by: (i) net cash inflow on disposal/de-registration of subsidiaries of RMB83.1 million; (ii) proceeds from disposal of other financial assets of RMB1,222.6 million; and (iii) withdrawal of restricted deposits of RMB1,457.5 million.

Net cash flows generated from financing activities amounted to approximately RMB1,184.7 million, mainly due to: (a) proceeds from banking borrowings of RMB2,939.6 million; (b) proceeds from other borrowings of RMB1,553.1 million; and (c) contributions by non-controlling interests of RMB86.0 million. This was partially offset by: (i) repayment of bank borrowings of RMB318.3 million; (ii) repayment of other borrowings of RMB2,634.7 million; (iii) deposits placed of RMB28.8 million; (iv) interest paid of RMB373.0 million; and (v) dividends paid to non-controlling interest of RMB14.4 million.

As a result of the above, there was a net decrease of approximately RMB102.4 million in cash and cash equivalents. As at 30 June 2024, our cash and cash equivalents amounted to approximately RMB2,337.1 million.

6M2025

In 6M2025, our net cash flows generated from operating activities of approximately RMB1,040.9 million was due to operating cash inflow before working capital changes of approximately RMB1,109.9 million, adjusted for: (A) net working capital inflow of approximately RMB33.6 million; and (B) income tax paid of approximately RMB102.6 million. The net working capital inflow was mainly due to: (a) a decrease in

contract assets of RMB22.9 million; (b) a decrease in loan receivables of RMB23.6 million; (c) a decrease in finance lease receivables of RMB48.3 million; (d) an increase in contract liabilities of RMB15.6 million; (e) an increase in other payables and accruals of RMB5.4 million. This was partially offset by cash outflow from: (i) an increase in inventories of RMB3.1 million; (ii) an increase in trade and bills receivables of RMB166.9 million; (iii) a decrease in trade and bills payables of RMB122.3 million; (iv) a decrease in amounts due to joint ventures of RMB18.8 million.

Net cash used in investing activities amounted to approximately RMB1,334.5 million, mainly due to: (a) payments for property, plant and equipment of RMB1,598.9 million; (b) payments for right-of-use assets of RMB16.9 million; (c) payments for acquisition of other financial assets of RMB965.5 million; and (d) placement of restricted deposits of RMB338.6 million. This was partially offset by: (i) net cash inflow on disposal/liquidation of subsidiaries of RMB17.2 million; (ii) proceeds from disposal of other financial assets of RMB941.4 million; (iii) dividends received from joint ventures and associates of RMB29.3 million; (iv) proceeds from dividends received from disposed subsidiaries of RMB43.5 million; and (v) withdrawal of restricted deposits of RMB535.4 million.

Net cash flows generated from financing activities amounted to approximately RMB527.5 million, mainly due to: (a) proceeds from banking borrowings of RMB1,293.0 million; (b) proceeds from other borrowings of RMB1,889.5 million; and (c) contributions by non-controlling interests of RMB0.9 million. This was partially offset by: (i) payment for repurchase of shares of the Company of RMB42.1 million; (ii) repayment of bank borrowings of RMB511.4 million; (iii) repayment of other borrowings of RMB1,657.6 million; (iv) repayment of lease liabilities of RMB27.9 million; (v) dividends paid to non-controlling interest of RMB49.6 million; and (vi) interest paid of RMB367.2 million.

As a result of the above, there was a net increase of approximately RMB233.8 million in cash and cash equivalents. As at 30 June 2025, our cash and cash equivalents amounted to approximately RMB1,983.1 million.

CAPITAL EXPENDITURES, COMMITMENTS AND CONTINGENT LIABILITIES

Capital Expenditures and Divestments

Our capital expenditures and divestments during the Period Under Review are as follows:

(RMB'000)	FY2022	FY2023	FY2024	6M2025
Capital Expenditures				
Buildings	509	19,101	-	-
Leasehold improvements	32,366	4,299	390	112
Plant, machinery and equipment	9,806	32,231	12,657	1,626
Office furniture and fixtures	6,223	20,962	19,963	19,392
Motor vehicles	15,980	29,563	10,317	3,242
Construction in progress	4,869,910	4,546,125	3,019,818	1,389,471
Total	4,934,794	4,823,281	3,063,145	1,413,843
Divestments				
Buildings	120	-	-	-
Leasehold improvements	52	-	793	-
Plant, machinery and equipment	7,492	53,746	1,860	5,635
Office furniture and fixtures	12,597	10,740	156	133
Motor vehicles	6,077	5,052	14,575	4,122
Construction in progress	-	-	-	-
Total	26,335	69,538	17,384	9,890

The above capital expenditure in FY2022, FY2023, FY2024 and 6M2025 and the Group's ongoing material capital expenditure were financed through net cash generated from operating activities, lease financing, and bank and other borrowings. The above capital expenditure in FY2022, FY2023, FY2024 and 6M2025 and the Group's ongoing material capital expenditures are mainly made in respect of our power plants located in the PRC. Save as disclosed above, there were no other material capital expenditures and/or divestments made by our Group during the Period under Review.

Capital Commitments

The following table shows the Group's capital commitments:

(RMB'000)	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025
Capital expenditure:				
Property, plant and equipment contracted for but not provided in consolidated financial statements	2,380,563	2,889,393	2,680,010	2,374,672
Investment commitments:				
Investment commitments in joint ventures and associates	44,500	-	-	-
Total	2,425,063	2,889,393	2,680,010	2,374,672

Save as disclosed above, there were no other capital commitments made by our Group during the Period under Review. We intend to finance such commitments primarily through bank borrowings and lease financing.

Lease Liabilities

Our lease liabilities as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 are as follows:

(RMB'000)	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025
Within one (1) year or on demand	13,502	21,821	33,561	61,889
Between one (1) and two (2) years	15,245	18,440	32,145	40,094
Between one (1) and five (5) years	36,628	33,142	57,846	81,645
Later than five (5) years	46,875	83,904	328,552	376,394

Please refer to the section entitled "*Business – Properties and Fixed Assets*" of this Introductory Document for further details.

As at 30 June 2025, we have lease liabilities amounting to approximately RMB560 million. We intend to finance such liabilities through internally generated funds.

Contingent Liabilities

As at the Latest Practicable Date, our Group does not have any material contingent liabilities.

Save as disclosed, we are not aware of any contingent liabilities which may have a material effect on the financial position and profitability of our Group.

BORROWINGS

As at 30 June 2025, our total borrowings, including current borrowings and non-current borrowings, amounted to RMB19,864.0 million, comprising both bank borrowings and other borrowings.

The carrying amounts of our bank borrowings and other borrowings are repayable as follows:

	30 June 2025	
Bank Borrowings	RMB'000	%
Within 1 year	1,012,624	14.0
Between 1 and 2 years	551,723	7.7
Between 2 and 5 years	1,666,297	23.1

Over 5 years	3,988,185	55.2
	<u>7,218,829</u>	<u>100.0</u>

	30 June 2025 RMB'000	%
Other Borrowings		
Within 1 year	1,129,389	8.9
Between 1 and 2 years	1,217,347	9.6
Between 2 and 5 years	3,145,720	24.9
Over 5 years	<u>7,152,741</u>	<u>56.6</u>
	<u>12,645,197</u>	<u>100.0</u>

The interest rate risk exposure and ranges of effective interest rates of our bank borrowings are as follows:

	30 June 2025 RMB'000	%
Bank Borrowings		
Fixed rate bank borrowings	220,801	3.1
Variable rate bank borrowings	<u>6,998,028</u>	<u>96.9</u>
	<u>7,218,829</u>	<u>100.0</u>

	6M2025
Fixed rate bank borrowings	2.45% - 3.95%
Variable rate bank borrowings	1.60% - 4.35%

As at 30 June 2025, our PRC Principal Subsidiaries had the following borrowings:

Lender	Amount of Facilities granted (Borrowing currency)	Interest rate per annum	Maturity / Repayment Date	Restriction of use of facility	Outstanding Principal Amount as at 30 June 2025 (Borrowing currency)
Borrower: CCWPI					
Lender A ⁽¹⁾	USD23,000,000 (Unsecured)	0.7% per annum on the amount of each issuance, payable annually. For periods of less than one (1) year, the charge shall be prorated based on the actual number of days.	31 December 2029	The standby letter of credit issued under this contract shall be utilised exclusively to provide a guarantee for a loan owed by the Company to Lender A's head office.	RMB0
Borrower: Yongzhou Jiepai					
Lender B ⁽²⁾	Lease principal of RMB310,000,000 (Secured)	The interest rate is 5.20% and shall be adjusted on the 1 st of January every year. After the adjustment date (including the adjustment date), the lease interest rate shall be based on the latest over 5-year loan prime rate	28 July 2031	The lessee (i.e. Yongzhou Jiepai) shall ensure the integrity of the lessor's (i.e. Lender B) ownership rights over the leased property in terms of its form, quality and ownership. Without the lessor's written consent, the	RMB221,655,789.41

Lender	Amount of Facilities granted (Borrowing currency)	Interest rate per annum	Maturity / Repayment Date	Restriction of use of facility	Outstanding Principal Amount as at 30 June 2025 (Borrowing currency)
		("LPR") announced by the National Interbank Funding Center authorised by the People's Bank of China at the time of adjustment, with an increase of 55.0 basis points ("bp").		lessee shall not carry out any act that may have an adverse impact on the leased property. If the lessee intends to add or replace parts or components on the leased property, or upgrade, update or modify it, it shall notify the lessor in writing in advance and obtain the lessor's written consent, and shall not reduce the value, function or remaining useful life of the leased property.	
Borrower: Jilin Century Concord					
EverBright Financial Leasing Co., Ltd.	RMB700,000,000 (Secured)	3.0% The interest rate shall be adjusted annually. The interest rate shall be determined based on the latest over 5-year LPR announced by the National Interbank Funding Center authorised by the People's Bank of China at the time of adjustment.	31 March 2040 (i.e. 180 months from 31 March 2025)	The facility shall be used to replace the lease with Lender C. There is no other restriction of use of such facility.	RMB690,734,981.37
Borrower: Jingmen Lixi					
Lender C ⁽³⁾	RMB56,760,000 (Secured)	5.831% (plus 118.1bp (0.01% for 1bp) to the LPR applicable on 20 July 2021)	25 September 2035 (i.e. 14 years from date of commencement of lease, which is 25 September 2021)	The facility is to be used only to supplement working capital.	RMB48,180,000.00
Lender C ⁽³⁾	RMB130,000,000 (Secured)	5.3475% (plus 69.75bp (0.01% for 1bp) to the LPR applicable on 20 July 2021)	25 September 2035 (i.e. 14 years from date of commencement of lease, which is 25	The facility is to be used only to supplement working capital.	RMB107,462,629.58

Lender	Amount of Facilities granted (Borrowing currency)	Interest rate per annum	Maturity / Repayment Date	Restriction of use of facility	Outstanding Principal Amount as at 30 June 2025 (Borrowing currency)
			September 2021)		
Huaneng Tiancheng Financial Leasing Co., Ltd.	RMB247,000,000 (Secured)	5.4145% (plus 10.5% to the LPR applicable on the date on which the contract was signed)	29 September 2035 (i.e. 18 years from the date of the first payment of purchase price made by Lender C under the corresponding purchase agreement, which is 29 September 2017)	Nil.	RMB185,313,000.00
Borrower: Tongyu Century Concord					
Lender C ⁽³⁾	RMB367,000,000 (Secured)	4.54% (plus 84bp (0.01% for 1bp) to the LPR applicable on 20 May 2022)	30 June 2025 (i.e. 3 years from date of commencement of lease, which is 30 June 2022)	The facility is to be used only to supplement working capital.	RMB330,300,000.00
Huaneng Tiancheng Financial Leasing Co., Ltd.	RMB110,000,000 (Secured)	5.5135% (Plus 0.86% to the LPR applicable on the 27 March 2021), which shall be adjusted annually	29 June 2033 (i.e. 12 years from the date of purchase price made by Huaneng Tiancheng Financial Leasing Co., Ltd., which is 29 June 2021)	The facility is to be used only for project construction.	RMB80,000,000.00
Lender C ⁽³⁾	RMB488,800,000 (Secured)	6.126% (plus 25% to the LPR applicable on the date of signing of the loan agreement)	26 May 2037 (i.e. 17.75 years from date of commencement of lease, which is 26 August 2019)	Nil.	RMB435,333,913.06
Borrower: Fuxin Xingda					
Lender D ⁽⁴⁾	RMB315,000,000 (Secured)	The annual lease interest rate is on a floating basis, based on the loan market quotation rate (LPR) for terms of more than five (5) years announced by the China National Interbank Funding Center on 20 May 2024 before (including) the day when the lessor pays the	20 June 2039 (i.e. 180 months from the date of lender's first payment, which was 20 June 2024).	The facility is only to be used for repayment of shareholders' loans and replenishment of working capital.	RMB304,500,000.00

Lender	Amount of Facilities granted (Borrowing currency)	Interest rate per annum	Maturity / Repayment Date	Restriction of use of facility	Outstanding Principal Amount as at 30 June 2025 (Borrowing currency)
		purchase price of the leased property, reduced by 20 bp (one bp is 0.01%).			
Borrower: Yongzhou Qiaotoupu					
Lender B ⁽²⁾	Lease principal of RMB300,000,000 (Secured)	The lease interest rate is determined at 5.20% on a floating basis, based on the LPR (4.65%) for five (5) years or more published by the National Interbank Funding Centre authorised by the People's Bank of China on 20 January 2021.	26 March 2031 (i.e. 120 months starting from the day on which the lessor made the first payment of the purchase price for the leased property to the lessee, which was 26 March 2021)	1. The leased properties shall be used within the business scope permitted by Yongzhou Qiaotoupu's articles of association and business licence for lawful purposes. 2. The purchase price of the leased properties shall be used only for the lessee's ordinary business operation and management activities and other lawful purposes under the applicable laws and regulations. The lessee shall comply with such specific requirements if the lessor has any further specific requirements regarding the use of the facility.	RMB205,535,178.70
Borrower: Kaiyuan Julong					
Lender E ⁽⁵⁾	Lease principal of RMB348,100,000 (Secured)	The current interest rate is on a floating basis based on the five (5)-year LPR published by the People's Bank of China, reduced by 40 basis points.	20 August 2035 (i.e. 144 months from 20 August 2023)	The purchase price of the leased property shall be used for the construction and operation funds of the wind power station and the adjustment of the debt structure. The purchase price of the leased property shall not flow into the	RMB324,680,754.30

Lender	Amount of Facilities granted (Borrowing currency)	Interest rate per annum	Maturity / Repayment Date	Restriction of use of facility	Outstanding Principal Amount as at 30 June 2025 (Borrowing currency)
				real estate market, securities/ futures/ financial derivative markets, nor shall it be used for investment in asset management products, equity investments, or other fields prohibited by laws, regulations, and regulatory authorities. It shall not be used for money laundering or other illegal purposes.	
Lender E ⁽⁵⁾	Lease principal of RMB1,151,900,000 (Secured)	The current interest rate is on a floating basis based on the five (5)-year LPR published by the People's Bank of China, reduced by 40 basis points.	20 August 2035 (i.e. 144 months from 20 August 2023)	Nil.	RMB1,055,335,703.21
Borrower: Shizong Juhe					
Industrial and Commercial Bank of China, Qijing Branch	RMB1,144,630,000 (Secured)	The interest rate for each loan will be determined on a floating basis based on the pricing benchmark plus a floating spread, where the pricing benchmark is the 5-year LPR published by the National Interbank Funding Centre on the working day before the loan drawdown date, and the floating spread is minus 80 basis points.	24 January 2039 (i.e. 15 years starting from the date of the first drawdown under this contract, which was 24 January 2024)	Facility under this contract shall be used for the construction of the specified wind power project therein. Without the written consent of the lender, the borrower shall not use the loan for other purposes. The lender has the right to supervise the use of the funds.	RMB827,359,449.00
Lender F ⁽⁶⁾	RMB290,000,000 (Secured)	Under this contract, the interest rate adjustment is based on a 12-month cycle, with a margin of	16 August 2038 (i.e. 14 years starting from the date of the first drawdown under this	Facility under this contract shall be used for project construction and replacement of	RMB287,000,000.00

Lender	Amount of Facilities granted (Borrowing currency)	Interest rate per annum	Maturity / Repayment Date	Restriction of use of facility	Outstanding Principal Amount as at 30 June 2025 (Borrowing currency)
		-85 basis points (1 basis point = 0.01%), which remains unchanged throughout the loan term. The LPR applied in the first cycle is the 5-year LPR published on the day before the loan withdrawal. For subsequent cycles, the LPR applied will be the 5-year LPR published on the day before the first day of the month corresponding to the loan withdrawal in that cycle.	contract, which was 16 August 2024)	the project's preliminary loan.	
Borrower: Suzhou Deren					
Lender C ⁽³⁾	Lease principal of RMB240,000,000 (secured)	The lease interest rate will be based on the LPR applicable on 20 December 2022, plus a margin of 78 basis points with adjustment to LPR made on 1 January of each year.	25 February 2037 (i.e. 14 years from 25 February 2023)	1. The leased property shall be used for the sole purpose of the wind power plant at Yongqiao District, Suzhou City, Anhui Province. 2. The purchase price shall be used for the sole purpose of enhancing working capital liquidity. 3. The annual operational expense limit for the relevant project shall not exceed RMB4 million. 4. The lessor and the lessee shall set up a joint account (the "Supervision Account"), with the lessor having the management authority, for the	RMB220,560,000.00

Lender	Amount of Facilities granted (Borrowing currency)	Interest rate per annum	Maturity / Repayment Date	Restriction of use of facility	Outstanding Principal Amount as at 30 June 2025 (Borrowing currency)
				purpose of receiving the payments specified. The operational expenses and regular taxes of the power station may only be withdrawn with the lessor's consent before meeting the required amount of reserved funds as stipulated in the contract. The remaining funds in the Supervision Account shall only be withdrawn after the required amount of reserved funds as stipulated in the contract is met.	
Lender C ⁽³⁾	Lease principal of RMB170,000,000 (secured)	The lease interest rate will be based on the LPR applicable on 20 December 2022, plus a margin of 78 basis points with adjustment to LPR made on 1 January of each year.	25 February 2037 (i.e. 14 years from 25 February 2023)	1. The leased property shall be used for the sole purpose of the wind power plant at Yongqiao District, Suzhou City, Anhui Province. 2. The purchase price shall be used for the sole purpose of enhancing working capital liquidity. 3. The annual operational expense limit for the relevant project shall not exceed RMB4 million. 4. The lessor and the lessee shall set up a joint account (the "Supervision Account"), with the lessor	RMB157,760,000.00

Lender	Amount of Facilities granted (Borrowing currency)	Interest rate per annum	Maturity / Repayment Date	Restriction of use of facility	Outstanding Principal Amount as at 30 June 2025 (Borrowing currency)
				having the management authority, for the purpose of receiving the payments specified. The operational expenses and regular taxes of the power station may only be withdrawn with the lessor's consent before meeting the required amount of reserved funds as stipulated in the contract. The remaining funds in the Supervision Account shall only be withdrawn after the required amount of reserved funds as stipulated in the contract is met.	
Borrower: Wuhe Juhe					
Industrial and Commercial Bank of China, Wuhe Branch	RMB258,712,800 (Secured)	The interest rate is based on LPR for a period of more than 5 years reduced by 45 basis points	30 December 2031 (i.e. 120 months starting from the first drawdown date, which was 30 December 2021)	Without the written consent of the lender, the borrower shall not divert the loan for other purposes other than to finance the specified power plant project in the contract. The borrowed funds shall not flow into the securities market, futures market, or any other purposes prohibited or restricted by relevant laws and regulations in any form.	RMB229,344,830.41
Borrower: Haotai New Energy					
Lender G ⁽⁷⁾	RMB150,000,000 (Secured)	2.8%	27 December 2025 (i.e. one (1) year starting from the date of the first drawdown	The use of facility shall be subject to specific contracts entered into by	RMB150,000,000.00

Lender	Amount of Facilities granted (Borrowing currency)	Interest rate per annum	Maturity / Repayment Date	Restriction of use of facility	Outstanding Principal Amount as at 30 June 2025 (Borrowing currency)
			under this contract, which was 27 December 2024)	the parties according to this facility agreement.	

Notes:

- (1) Lender A has not been identified as our Company is subject to confidentiality obligations under the relevant facility and loan agreement(s) entered into with Lender A and has not sought nor obtained consent from Lender A to disclose its identity (for the purposes of disclosing our Group's borrowings) in this Introductory Document. Lender A is the Beijing branch of a bank in Hong Kong.
- (2) Lender B has not been identified as our Company is subject to confidentiality obligations under the relevant facility and loan agreement(s) entered into with Lender B and has not sought nor obtained consent from Lender B to disclose its identity (for the purposes of disclosing our Group's borrowings) in this Introductory Document. Lender B is a financial subsidiary of a bank in the PRC, which provides banking, financing and leasing services.
- (3) Lender C has not been identified as our Company is subject to confidentiality obligations under the relevant facility and loan agreement(s) entered into with Lender C and has not sought nor obtained consent from Lender C to disclose its identity (for the purposes of disclosing our Group's borrowings) in this Introductory Document. Lender C is a financial services firm in the PRC providing financial and equipment leasing and financial solutions for the energy and industrial sectors.
- (4) Lender D has not been identified as our Company is subject to confidentiality obligations under the relevant facility and loan agreement(s) entered into with Lender D and has not sought nor obtained consent from Lender D to disclose its identity (for the purposes of disclosing our Group's borrowings) in this Introductory Document. Lender D is a financial services firm in the PRC providing financing, operating, and joint leases for the transportation, energy, infrastructure, and other sectors.
- (5) Lender E has not been identified as our Company is subject to confidentiality obligations under the relevant facility and loan agreement(s) entered into with Lender E and has not sought nor obtained consent from Lender E to disclose its identity (for the purposes of disclosing our Group's borrowings) in this Introductory Document. Lender E is a financial subsidiary of a bank in the PRC, which provides financial leasing services to sectors such as energy and manufacturing.
- (6) Lender F has not been identified as our Company is subject to confidentiality obligations under the relevant facility and loan agreement(s) entered into with Lender F and has not sought nor obtained consent from Lender F to disclose its identity (for the purposes of disclosing our Group's borrowings) in this Introductory Document. Lender F is the Shizong County branch of a bank in the PRC.
- (7) Lender G has not been identified as our Company is subject to confidentiality obligations under the relevant facility and loan agreement(s) entered into with Lender G and has not sought nor obtained consent from Lender G to disclose its identity (for the purposes of disclosing our Group's borrowings) in this Introductory Document. Lender G is the Shouti branch of a bank in the PRC.

Save as disclosed in the table above, there are no financial loan covenants or covenants that are tied to the shareholding interests of our Company's controlling shareholders under the terms of the relevant facilities entered into by the PRC Principal Subsidiaries.

To the best of our Directors' knowledge, as at the Latest Practicable Date, our Group is not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Group's financial position and results or business operations, or the investments by our Shareholders, and none of our substantial shareholders' Shares have been pledged, charged or mortgaged as collateral to secure any credit or banking facilities.

INFLATION

We believe that inflation does not have a material impact on our business, results of operations or financial condition during the Period Under Review. However, if we experience a significantly higher inflation rate than we have experienced in the past, our business, results of operations and financial condition may be materially and adversely affected if we are not able to partially or fully offset such higher costs through price increases.

FOREIGN EXCHANGE RISK MANAGEMENT

Our presentation currency is in RMB. Our Group operates mainly in the PRC, the United States of America and Hong Kong. The majority of our revenue and cost of goods sold and operations are denominated in the RMB. The Group is exposed to foreign currency risk primarily with respect to the changes of exchange rate of USD and HK\$, which is pegged with USD, against RMB, which is the functional currency of most of the Group's operating subsidiaries. As at 31 December 2024, recognised assets that are denominated in a currency that is not the entities' functional currency include cash and cash equivalents in USD and HK\$.

As at the Latest Practicable Date, we do not have any formal policy for hedging against foreign exchange exposure and have not undertaken any hedging activities during the Period Under Review. However, we will continue to monitor our foreign exchange exposure and may employ a formal policy to manage our foreign exchange exposure should the need arise. Prior to implementing any formal hedging policies, we will seek the approval of our Board on the policy and put in place adequate procedures which shall be reviewed and approved by our Audit Committee. Thereafter, all hedging transactions entered into by our Group will be in accordance with the set policies and procedures. The Company does not have a hedging policy; cash will be spent in the same currency as it was generated. The Company is not facing much foreign exchange exposure.

NEW ACCOUNTING STANDARDS AND CHANGES IN ACCOUNTING POLICIES

Please refer to Notes 2 and 3 as set out in Appendix A entitled *“Independent Auditors’ Report and the Audited Consolidated Financial Statements of Concord New Energy Group Limited and its Subsidiaries as at and for each of the years ended 31 December 2022, 2023 and 2024”* to this Introductory Document for details of our Group's accounting policies and changes in our accounting policies for the Period Under Review.

The Group has applied the following amendments to HKFRSs issued by the HKICPA to the consolidated financial statements for the year ended 31 December 2024:

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

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Save as required for compliance with applicable laws, rules and regulations, there is no intention to change our accounting policies after our listing which may result in material adjustments to the financial statements disclosed in this Introductory Document.

RENEWABLE ENERGY INDUSTRY AND PROSPECTS

OVERVIEW OF THE RENEWABLE ENERGY INDUSTRY

The PRC has experienced substantial growth in its power industry over the past decade, reflecting broader trends in economic development, industrialisation, and energy policy shifts. The total installed capacity in China surged from 1,525.3GW in 2015 to 3,348.6GW in 2024, and total electricity generation increased from 5,810.6TWh to 10,086.9TWh over the same period. These figures underscore China's rapid expansion in electricity infrastructure and its efforts to meet increasing energy demands. However, the annual growth rate of electricity generation has fluctuated, influenced by industrial demand, energy efficiency improvements, and structural transformations in the economy.

2015 – 2024 China Installed Capacity, Electricity Generation, and Gross Domestic Product ("GDP") growth

Year	Installed Capacity (GW)	Installed Capacity year-on-year Growth	Total Electricity Generation (TWh)	Electricity Generation year-on-year growth	GDP growth rate
2015	1,525.3	10.6%	5,810.6	2.8%	7.0%
2016	1,650.5	8.2%	6,142.5	5.7%	8.4%
2017	1,777.1	7.7%	6,495.1	5.7%	11.5%
2018	1,900.0	6.9%	7,111.8	9.5%	10.5%
2019	2,009.9	5.8%	7,503.4	5.5%	7.3%
2020	2,205.0	9.7%	7,779.1	3.7%	2.7%
2021	2,376.9	7.8%	8,534.3	9.7%	13.4%
2022	2,563.2	7.8%	8,848.7	3.7%	4.8%
2023	2,922.2	14.0%	9,456.4	6.9%	4.6%
2024	3,348.6	14.6%	10,086.9	6.7%	7.0%

Source: The PRC National Bureau of Statistics. Utilisation hours are calculated by dividing the amount of electricity generated in a specific period by the capacity in such period.

The demand for electricity in China has been driven by industrial growth, urbanisation, and rising per capita consumption. Periods of economic expansion, such as the post-pandemic recovery in 2021, have resulted in surges in electricity demand. The expansion of renewable energy, government-imposed efficiency targets, and market reforms have altered the traditional supply-demand dynamics.

One of the key factors contributing to these trends is China's economic growth and industrial expansion. The country's GDP has consistently expanded, driving higher electricity consumption across sectors, particularly the manufacturing and heavy industries. The rapid urbanisation and rising living standards have also led to increased residential electricity demand.

Another significant driver is the structural shift towards renewable energy. Over the past decade, China has aggressively expanded its renewable energy capacity, including wind, solar, and hydroelectric power. By 2024, renewable energy accounted for a growing share of the country's energy mix, contributing to overall electricity generation while reducing dependency on coal. The government's emphasis on clean energy aligns with its long-term carbon neutrality goals, aiming for peak emissions by 2030 and net-zero emissions by 2060⁴. While coal remains the dominant source of electricity, efficiency improvements and clean energy investments have helped moderate fossil fuel dependency.

⁴ Information obtained from <<https://www.iea.org/reports/an-energy-sector-roadmap-to-carbon-neutrality-in-china>> (latest accessed on 17 December 2025). The International Energy Agency has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from The International Energy Agency has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory

Energy efficiency initiatives and market-driven reforms have also played a role in shaping electricity generation trends. China has implemented policies to improve energy efficiency in industrial sectors, reduce wastage, and promote smart grid technologies⁵. The government's move toward market-based electricity pricing has incentivised power producers to optimise output, further impacting growth rates in electricity generation.

The PRC Wind Power Industry

Since the inception of wind power generation in China, the PRC government and market have strongly supported the growth of this energy sector. While wind power faces curtailment challenges in some regions, the PRC government has taken significant steps in recent years to address these issues by ensuring minimum power purchase guarantees and expanding UHV transmission lines to optimise distribution and reduce waste.

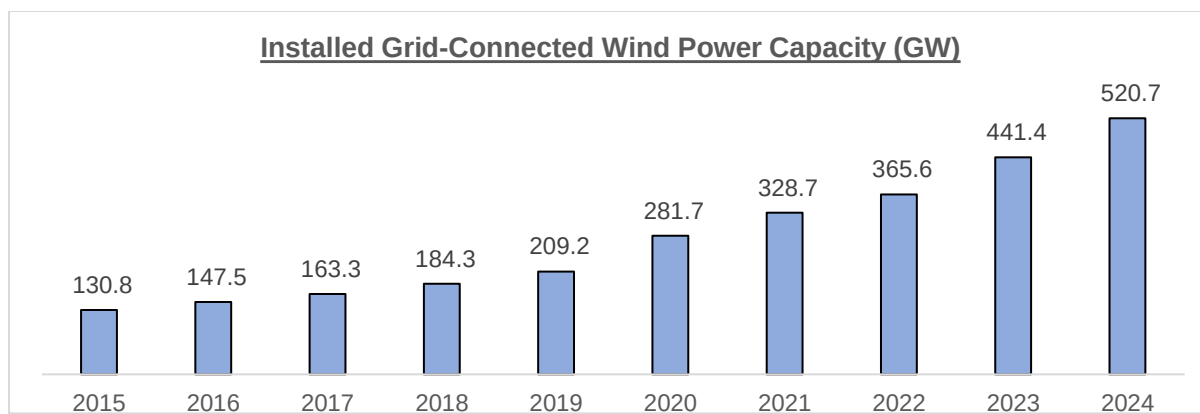
The PRC government has demonstrated its commitment to wind power development through regulatory support, such as the release of the "Notice on Improving the On-grid Pricing Policy for Wind Power" (《关于完善风力发电上网电价政策的通知》) in 2019, showing continued government backing for the wind power sector and encouraging sustainable expansion. According to data from the PRC National Bureau of Statistics, wind power in China has maintained a strong growth trajectory in recent years. By the end of 2024, China's installed wind power capacity had reached 520.7GW³. In 2023, wind power generation totalled 997.0TWh, accounting for 9.9% of the country's total power generation⁶. The PRC government continues to accelerate wind power development in high-consumption regions and is leveraging an advanced transmission network to optimise resource allocation.

The impressive growth of wind power in China is also reflected in its CAGR of 16.6% for installed grid-connected wind power capacity from 130.8GW in 2015 to 520.7GW in 2024. This remarkable growth has been driven by strong government policies, cost reductions in wind technology, and the increasing competitiveness of wind power in the national energy mix. However, challenges remain, including grid integration, regional curtailment, and market-based reforms to ensure the continued expansion of wind power is both sustainable and economically viable. As China progresses towards its carbon neutrality goals, the role of wind power will become even more critical in shaping the country's energy landscape.

Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

⁵ Information obtained from <<https://www.iea.org/articles/e4-country-profile-energy-efficiency-in-china>> (latest accessed on 17 December 2025). The International Energy Agency has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from The International Energy Agency has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

⁶ Information obtained from <https://www.stats.gov.cn/english/PressRelease/202502/t20250228_1958822.html> (latest accessed on 17 December 2025). The PRC National Bureau of Statistics has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from The PRC National Bureau of Statistics has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.



Source: The PRC National Bureau of Statistics

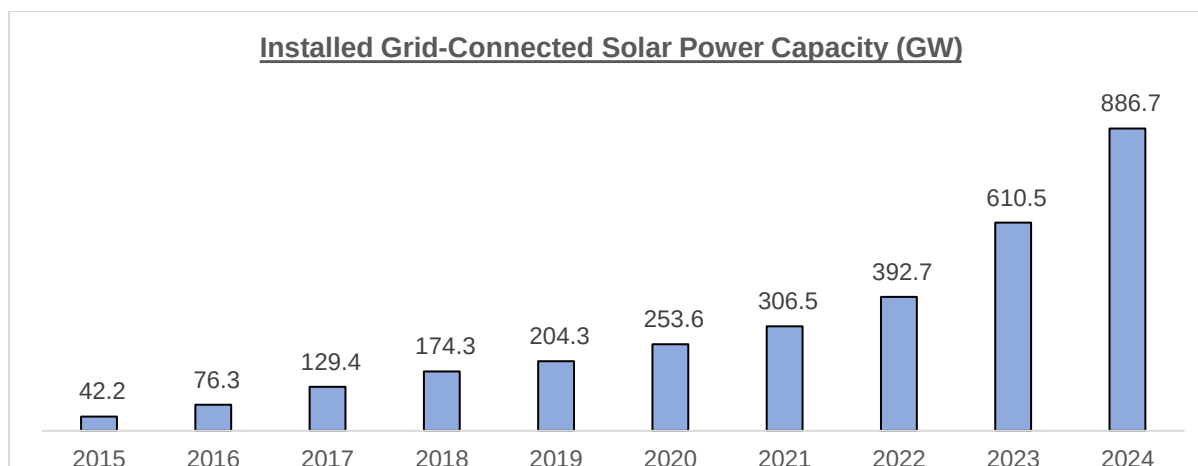
The PRC Solar Power Industry

China's solar power industry has also experienced remarkable growth since its initial adoption in 2006. The sector witnessed accelerated expansion from 2010 onwards, driven by strong government policies supporting solar grid connections and significant reductions in solar equipment costs. Since 2010, the NEA has approved multiple new solar power installations, adjusted tariffs, and implemented subsidies to encourage investment in solar power plants.

According to the PRC National Bureau of Statistics, China's installed solar power capacity grew at a staggering CAGR of over 40.3% from 2015 to 2024. By the end of 2024, total installed solar capacity had reached 886.7GW⁷. The 14th Five (5)-Year Plan (2021–2025) for Renewable Energy Development emphasises the advancement of large-scale renewable energy bases, including solar power, particularly in regions rich in renewable resources. This strategy aims to set targets for securing energy supplies and boosting energy efficiency⁸.

⁷ Information obtained from <https://www.stats.gov.cn/english/PressRelease/202502/t20250228_1958822.html> (latest accessed on 17 December 2025). The PRC National Bureau of Statistics has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from The PRC National Bureau of Statistics has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

⁸ Information obtained from <https://en.ndrc.gov.cn/news/pressreleases/202203/t20220329_1321486.html> (latest accessed on 17 December 2025). The National Development and Reform Commission (NDRC) has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from The NDRC has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.



Source: The PRC National Bureau of Statistics

PROSPECTS

China's power industry is undergoing a significant transformation, driven by ambitious goals to enhance energy security and reduce carbon emissions. The 15th Five (5)-Year Plan (2021–2025) outlines for major progress to be made towards establishing a clean, safe, efficient and low-carbon energy system. It is planned that energy efficiency among China's key energy consumption industries will reach advanced international standards, and non-fossil fuels will account for a larger share of energy production. Coal power generation should gradually fall as crucial breakthroughs are made in green and low-carbon technology, and the public will opt for more environment-friendly living patterns. By 2030, the share of non-fossil energy consumption is anticipated to reach around 25%⁹. In 2024, China achieved a record increase in renewable energy capacity, adding 357GW of combined wind and solar power¹⁰. This rapid expansion allowed China to reach its 2030 renewable energy target six (6) years ahead of schedule.

China has demonstrated strong leadership in offshore wind energy, surpassing 40GW of installed capacity by the end of 2024, making it the world's largest offshore wind market¹¹. The government aims

⁹ Information obtained from <https://en.ndrc.gov.cn/policies/202110/t20211027_1301020.html> (latest accessed on 17 December 2025). The PRC's National Development and Reform Commission has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from The PRC's National Development and Reform Commission has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

¹⁰ Information obtained from <<https://apnews.com/article/wind-solar-energy-china-climate-carbon-emissions-b337503abfacfd9b7829fd7bbcd507e9>> (latest accessed on 17 December 2025). The Associated Press has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from The Associated Press has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

¹¹ Information obtained from <<https://www.gwec.net/gwec-news/offshore-wind-installed-capacity-reaches-83-gw-as-new-report-finds-2024-a-record-year-for-construction-and-auctions>> (latest accessed on 17 December 2025). Global Wind Energy Council has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from offshorewind.biz has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

to expand offshore wind installations significantly, leveraging its extensive coastline and technological advancements. The solar sector has also seen tremendous growth, with China deploying over 200GW of solar PV capacity in just the last five (5) years. The cost of solar technology has declined significantly, making it a highly cost-effective energy source. By 2030, solar power is expected to contribute over 15% of the country's total electricity generation¹². Despite these advancements, coal remains a major energy source. In 2024, China began construction on 94.5GW of coal-fired power, marking the highest volume since 2015¹³. This development underscores the challenge of balancing energy security with China's decarbonisation objectives.

To address these challenges, China has announced a three (3)-year plan (2024–2027) to modernise its power system, emphasising renewable energy integration and managing growing power demand. The plan includes significant upgrades to transmission and distribution infrastructure, demand-response programs to optimise electricity consumption, and improved energy storage solutions to enhance grid stability¹⁴.

Looking forward, analysts predict that renewable energy will meet all new power demand growth in 2025, and potentially power sector emissions will peak in the same year¹⁵. However, achieving these targets will require overcoming persistent challenges, including regional grid congestion, energy storage expansion, and continued coal dependency.

TREND INFORMATION

The following discussion about our prospects and trends include forward-looking statements that involve risk and uncertainties. Actual results could differ materially from those that may be projected in these forward-looking statements. See “Notice to Investors – Forward-Looking Statements”.

On 27 January 2025, the NDRC and the NEA jointly issued the Notice on Deepening the Market-oriented Reform of Electricity Prices for New Energy and Promoting the High-quality Development of New Energy (《国家发展改革委 国家能源局关于深化新能源上网电价市场化改革 促进新能源高质量发展的通知》), according which the on-grid electricity generated by renewable energy projects, including wind and solar power projects, will in principle be fully integrated into the power market, with electricity prices determined through market transactions. This will result in the prices for electricity generated

¹² Information obtained from <<https://reglobal.org/rise-in-renewables-caa/>> (latest accessed on 17 December 2025). REglobal.org has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from REglobal.org has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

¹³ Information obtained from <<https://www.reuters.com/business/energy/chinas-2024-coal-power-construction-hits-10-year-high-researchers-say-2025-02-13/>> (latest accessed on 17 December 2025). Reuters has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from Reuters has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

¹⁴ Information obtained from <<https://www.reuters.com/world/china/chinas-state-planner-outlines-power-system-upgrade-priorities-2024-08-06/>> (latest accessed on 17 December 2025). Reuters has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from Reuters has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

¹⁵ Information obtained from <<https://www.reuters.com/business/energy/chinas-solar-wind-power-installed-capacity-soars-2024-2025-01-21/>> (latest accessed on 17 December 2025). Reuters has not provided its consent to the inclusion of the information extracted from its website, and it is therefore not liable for such information. While our Company, our Directors and the Issue Manager have taken reasonable actions to ensure that the information from National Health Commission of the People's Republic of China has been reproduced in its proper form and context, and that such information is extracted accurately and fairly in this Introductory Document, neither our Company, our Directors, the Issue Manager nor any other party has conducted an independent review of such information contained in that website or verified the accuracy of the contents of the relevant information.

from wind and solar power projects transitioning from fixed rates to being determined by market mechanism.

By the end of June 2025, the cumulative installed capacity of China's wind and solar power industry reached 1,670GW, surpassing the capacity of thermal power. This makes a milestone for China's rapid transition towards a power generation system with high degree of renewable energy integration. After years of high growth, China's overall growth rate of electricity demand is slowing. In regions with abundant renewable energy resources, the grid's flexibility and integration capacity have become insufficient, resulting in an increasingly severe renewable energy curtailment issue. The pressure from this structural supply-demand imbalance is transmitted to electricity prices via market transactions, placing pressure on the overall profitability of renewable energy assets.

Facing the dual challenges of worsening curtailment in renewable energy intensive regions of China and a decline in comprehensive electricity prices, the Group's core business came under pressure, resulting in a decrease in both revenue and profit. Guided by the principles of improving efficiency and creating value, the Group focused on consolidating and strengthening its power trading capabilities, intensifying power marketing efforts, promoting green electricity trading and green certificate sales, and concentrated on professional management to boost quality and efficiency. The Group strengthened power plant production management and reduced power generation losses caused by equipment failure through enhanced equipment management. We intensified our power marketing efforts by deeply analysing power market trading rules across various regions, leveraging the Group's strong capabilities in power trading, and continuously reviewing and optimising trading strategies to achieve higher returns. Additionally, the Group captured environmental premiums by strengthening green electricity trading and green certificate sales to offset the adverse impact of the overall decline in electricity prices.

We will continue to expand our presence in key global markets, strengthen our independent development capabilities, and focus on developing renewable energy projects with strong return certainty, while actively broadening our global market footprint.

Looking ahead to the second half of 2025, the new wave of technological advancements, led by artificial intelligence, continues to fuel strong growth in electricity demand. Technological innovations in wind power, solar power, and energy storage are continuously emerging, evolving, and improving through development, driving the global energy transition forward. In capital markets, as global inflation subsides, developed economies like the United States and Europe are expected to further cut interest rates. The People's Bank of China will continue to pursue a moderately accommodative monetary policy, with timely reductions in the reserve requirement ratio and interest rates. The further easing of the financing environment will be more favourable for investment in renewable energy.

Save for the above, our Group does not expect any significant trends, uncertainties, demands, commitments, or events in operation, sales of electricity, and in the costs and selling prices of products and services since 30 June 2025 that would cause any material effect on our net sales or revenue, profitability, liquidity or capital resources.

Save as disclosed above and in the sections entitled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Renewable Energy Industry and Prospects*", "*Business – Competitive Strengths*" and "*Business – Business Strategies and Future Plans*" of this Introductory Document and barring any unforeseen circumstances, we are not aware of any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources.

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

Our Company was incorporated as an exempted company with limited liability in Bermuda on 27 June 1997. Since acquiring a significant renewable energy business in 2007 till the Latest Practicable Date, we have accumulated approximately 18 years of experience in renewable energy operations. We are principally engaged in developing and operating wind, solar power, energy storage projects, and comprehensive renewable energy stations.

KEY MILESTONES

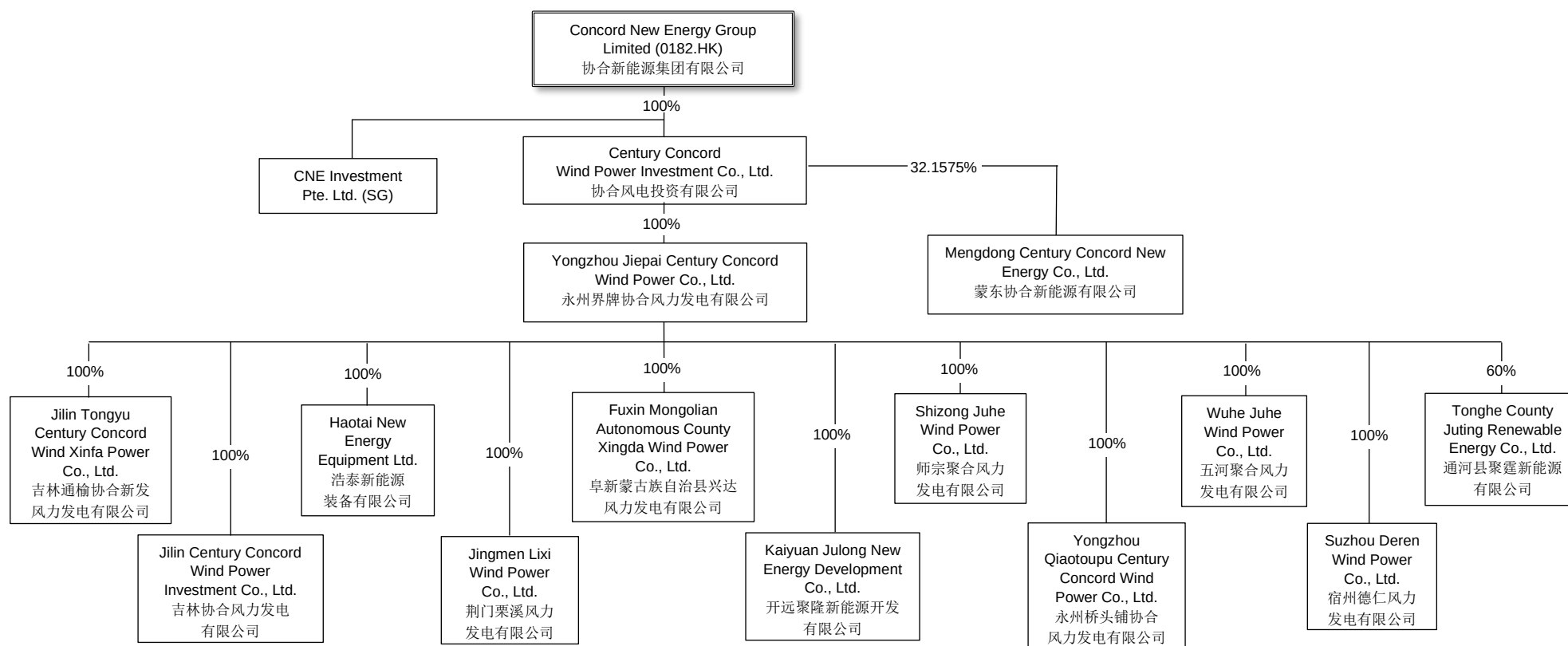
A summary of our Group's key corporate milestones is set out below.

<u>Year</u>	<u>Milestone</u>
2007	• We acquired a significant renewable energy business and we renamed the listed company's name to "China WindPower Group Limited (中国风电集团有限公司)".
2011	• We issued three (3)-year Dim Sum Bonds of RMB750 million with an interest rate of 6.375% per annum.
2012	• Our first overseas solar power plant located in New York, United States, commenced operations.
2013	• We began our strategic transformation to focus on investing in, developing, and operating of wind and solar power plants, while reducing the scale of our engineering, procurement and construction business.
2015	• We changed our name from "China Wind Power Group Limited (中国风电集团有限公司)" to "Concord New Energy Group Limited (协合新能源集团有限公司)" in February.
2016	• We successfully issued green bonds (中国首单非金融企业绿色债券) amounting to RMB500 million for non-financial enterprises.
2017	• We received a BB (stable) rating from an international credit rating agency, which is the highest rating that a company which is not state-owned can receive for the size of its asset. • We entered into a HK\$233.8 million convertible loan agreement with the International Finance Corporation (IFC).
2018	• We were awarded the "Best Value Public Utilities and Capital Construction Company" by the 2018 Golden Hong Kong Stock. • We entered into a convertible loan agreement with Goldman Sachs Asia Strategic Pte. Ltd.. • We issued three (3)-year USD senior notes of US\$200 million.
2019	• We were awarded the "Best Energy and Resources Stock Company" by the 2019 Golden Hong Kong Stock.
2022	• We maintained the capacity, adding over one million kilowatts, and our MSCI ESG rating was upgraded to A.
2023	• Our global headquarter office relocated from Hong Kong to Singapore.

<u>Year</u>	<u>Milestone</u>
2024	• We scored an AA grade for the MSCI ESG rating. • We were featured in S&P's Global Sustainability Yearbook 2024 (China Edition) and received two (2) special recognition awards: "Top 10% S&P Global ESG Score (China)" and "Industry Mover (Power Generation Sector)".
2025	• We successfully maintained our MSCI ESG rating at AA grade.

CORPORATE STRUCTURE

The following diagram illustrates our corporate structure with our Principal Subsidiaries⁽¹⁾, and our other subsidiary (namely Tonghe Juting) and associated company (namely Mengdong Century) which the absolute amount of the net assets or the profit before tax accounted for 10% or more of that of the Group for any of the past three (3) years, as at the date of this Introductory Document:



Notes:

- (1) Unless specifically stated, the relationship between the entities is, directly or indirectly, wholly-owned.
- (2) Century Concord Wind Power Investment Co., Ltd. indirectly holds 32.1575% of Mengdong Century.
- (3) The Company indirectly holds 60% of Tonghe Juting.

The following table sets out certain information on our Principal Subsidiaries, and our other subsidiary (namely Tonghe Juting) and associated company (namely Mengdong Century) which the absolute amount of the net assets or the profit before tax accounted for 10% or more of that of the Group for any of the past three (3) years, as at the Latest Practicable Date:

Name	Country of Incorporation / Constitution and Principal Place of Business	Principal Activities	Proportion of Ownership Interest / Voting Rights held by our Company
Century Concord Wind Power Investment Co., Ltd. (协合风电投资有限公司)	PRC / Mainland China	Investment Holding	100.00%
Fuxin Mongolian Autonomous County Xingda Wind Power Co., Ltd. (阜新蒙古族自治县兴达风力发电有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%
Haotai New Energy Equipment Ltd. (浩泰新能源装备有限公司)	PRC / Mainland China	Sales of solar power equipment and new energy equipment	100.00%
Jilin Century Concord Wind Power Investment Co., Ltd. (吉林协合风力发电投资有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%
Jilin Tongyu Century Concord Xinfa Wind Power Co., Ltd. (吉林通榆协合新发风力发电有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%
Jingmen Lixi Wind Power Co., Ltd. (荆门栗溪风力发电有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%
Kaiyuan Julong New Energy Development Co., Ltd. (开远聚隆新能源开发有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%
Shizong Juhe Wind Power Co., Ltd. (师宗聚合风力发电有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%
Suzhou Deren Wind Power Co., Ltd. (宿州德仁风力发电有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%

Wuhe Juhe Wind Power Co., Ltd. (五河聚合风力发电有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%
Yongzhou Jiepai Century Concord Wind Power Co., Ltd. (永州界牌协合风力发电有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%
Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd. (永州桥头铺协合风力发电有限公司)	PRC / Mainland China	Wind power plant investment and operation	100.00%
CNE Investment Pte. Ltd.	Singapore	Investment holding	100.00%
Mengdong Century Concord New Energy Co., Ltd. (蒙东协合新能源有限公司)	PRC / Mainland China	Wind and solar power plant investment and operations	32.1575% ⁽¹⁾
Tonghe County Juting New Energy Co., Ltd. (通河县聚霆新能源有限公司)	PRC / Mainland China	Wind power plant investment and operation	60% ⁽²⁾

Notes:

- (1) The remaining 67.8425% of ownership interest in Mengdong Century is held by State Power Investment Corporation Inner Mongolia Energy Co., Ltd. (国家电投集团内蒙古能源有限公司).
- (2) The remaining 40% of ownership interest in Tonghe Juting is held by Yantai Chenchao New Energy Co., Ltd. (烟台辰超新能源有限公司).

BUSINESS

OUR GROUP

We are one of the first HKSE-listed renewable energy companies specialising in the investment, development and operation of wind and solar power projects as well as the provision of comprehensive renewable energy related services.

Currently, the Power Generation Business is our most important business segment. We primarily invest in and operate wind and solar power plants through our subsidiaries, joint ventures and associates under the Build-Own-Operate (BOO) or Build-Transfer (BT) business model. As at 30 June 2025, we had equity interests in 91 grid-connected wind and solar power plants, with a total installed capacity of 6,025MW and attributable installed capacity of 4,778MW. Of these, 67 are wind power plants with total installed capacity of 5,078MW and attributable installed capacity of 3,844MW, and 24 are solar power plants with total installed capacity of 947MW and attributable installed capacity of 934MW. By the end of June 2025, we had wind power resources reserves of over 5.9GW and solar power resources reserves of over 3.55GW which are suitable for future development with a prospective capacity.

Historically, engineering, procurement and construction ("**EPC**") services used to contribute the majority of our revenue and represented a separate business sub-segment. In 2017, we completed our business transformation whereby our Power Generation Business became our core segments. As at 30 June 2025, we have the following business segments:

- Power generation segment – operation of wind and solar power plants through our subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates; and
- "Others" segment – provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the "**engineering, procurement and construction business**"), and stock finance lease services, which involves the provision of financial leasing services to existing customers of the Group, and which is in the process of being wound down by our Group.

OUR MISSION

Our mission is to provide clean energy and low-carbon service solutions, while helping the society mitigate the greenhouse effect and achieve carbon-neutrality through green power consumption and carbon asset management. We are committed to delivering high-quality clean energy and professional services to foster sustainability and promote the harmonious development of both people and nature.

OUR KEY BUSINESSES

We operate and invest in wind and solar power plants primarily through our subsidiaries, joint ventures and associates under the BOO or BT business models. Our power generation segment contributed over 91.4% and 95.4% of our total revenue in FY2024 and 6M2025 respectively. In the meantime, the rest of our revenue is derived from our comprehensive value chain of renewable energy related services, such as the provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects under our engineering, procurement and construction business.

Power Generation Business

Since our inception in 2006, we have invested in the development of wind and solar power plants which are either operated by ourselves, generating revenue through the sale of electricity to our customers (the BOO business model), or sold and transferred to purchasers (the BT business model).

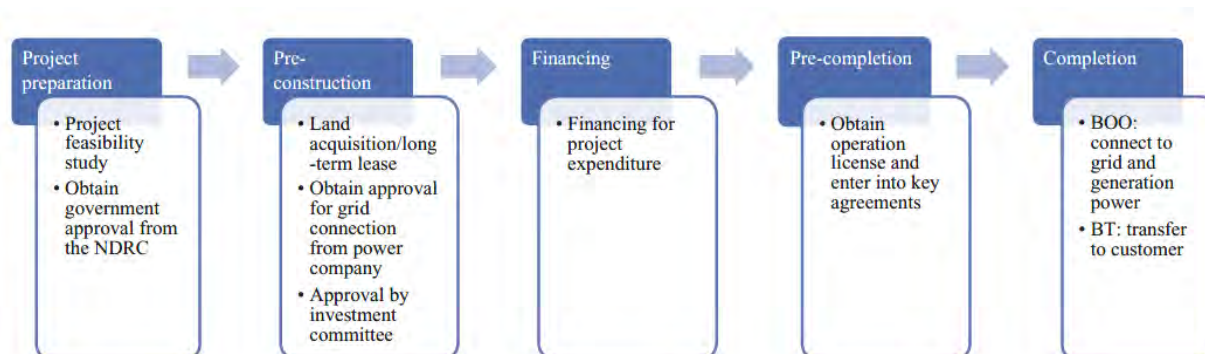
In 2017, we completed our strategic transformation to focus on our Power Generation Business and have since achieved robust growth and accelerated development. We have continuously increased the proportion of our wholly-owned wind and solar power plants to obtain stable growth in income, profits, cash flow and higher profit margin. The revenue from our Power Generation Business for the years

ended 31 December 2022, 2023 and 2024 and the six (6) months ended 30 June 2025 was RMB2,114.1 million, RMB2,259.4 million, RMB2,516.0 million and RMB1,335.4 million, respectively. We recorded RMB401.5 million, RMB341.6 million, RMB303.0 million and RMB153.4 million in renewable energy subsidies receivable from the government for the years ended 31 December 2022, 2023, and 2024 and the six (6) months ended 30 June 2025, respectively.

Power Plant Projects

The process for developing a power plant varies according to local regulations in each province or region, although there are certain common key milestones.

The following diagram sets forth the process of the development of a power plant project.



We secure the plant site, typically by acquisition of the land, a long-term lease arrangement with the landlord or entering into development agreement with the government. Before construction, we need to obtain necessary zoning and environmental permissions, applicable construction permits and project funding.

After a project completes construction, we typically commence operation and on-grid electricity generation (the BOO business model). Meanwhile, to continuously optimise asset quality and our asset portfolio, we also selectively sell certain projects (the BT business model) through the transfer of our equity interest in the relevant project company to interested purchasers. We have a dedicated team responsible for BT project sales that will carry out requisite evaluation on all projects and maintain constant contact and communications with potential buyers, such as players active in the acquisition of power projects. Our BT business facilitates the continuous enhancement of our asset portfolio because we are able to replace inefficient projects with high-efficiency grid-parity projects and allow our Company to optimise our assets, mitigate the risk of over-concentration in a single geographical area and enhance risk diversification. Our strong project development capabilities are also fully leveraged under such a business model, and can realise increased investment returns and profits.

There are various factors that we take into consideration when determining projects for sale, including benchmark on-grid tariffs, renewable energy subsidies received, electricity generation hours, demand and requirements of potential purchasers, and most importantly, ensuring balanced management of our capital and liquidity. BT project sales have not only effectively provided us with capital to invest in and develop more projects, but the cash flow generated therefrom has enabled us to reduce our leverage ratio and optimise our debt structure.

Power Plants in Operation

As at 30 June 2025, we held interests in 62 grid-connected wind and solar power plants under our subsidiaries, with a total installed capacity of 4,213MW and attributable installed capacity of 4,033MW, of which 40 were wind power plants with total installed capacity of 3,287MW and attributable installed capacity of 3,107MW, and 22 were solar power plants with total installed capacity of 927MW and attributable installed capacity of 927MW.

The following table sets forth certain operating information on our invested and wholly-owned wind power plants in operation, distribution of our attributable installed capacity and the locations of our wind power plants as at 30 June 2025:

S/N	Operational from	Project Name	Location	Installed Capacity	Our Ownership	Attributable Installed Capacity (MW)
1.	2015	Feixi	Anhui	34	100%	34
2.	2016	Jiepai	Hunan	48	100%	48
3.	2016	Jiagou	Anhui	48	100%	48
4.	2017	Wuhe	Anhui	48	100%	48
5.	2017	Qiaotoupu	Hunan	48	100%	48
6.	2017	Hongtang	Hunan	48	100%	48
7.	2017	Jingmen	Hubei	48	100%	48
8.	2018	Yushan	Hubei	48	100%	48
9.	2018	Lixi	Hubei	48	100%	48
10.	2018	Jindashan	Anhui	50	100%	50
11.	2019	Baimangying	Hunan	48	100%	48
12.	2019	Wulanhua D	Jilin	49.5	100%	49.5
13.	2019	Wulanhua E	Jilin	49.5	100%	49.5
14.	2019	Wulanhua F	Jilin	49.5	100%	49.5
15.	2020	Mengzhuling	Hunan	50	100%	50
16.	2020	Yingshanmia o	Henan	50	100%	50
17.	2020	Yilan	Heilongjiang	200	100%	50
18.	2021	Guazhou	Gansu	100	100%	100
19.	2021	Shiziling Phase I	Guangxi	48	100%	48
20.	2021	Dongda	Hunan	48	100%	48
21.	2021	Fuxin Hailiban	Liaoning	50	100%	50
22.	2021	Xinfa D	Jilin	49.5	100%	49.5
23.	2021	Wuying	Hubei	20	100%	20
24.	2022	Shiziling Phase II	Guangxi	42	100%	42
25.	2022	Shiziling Phase III	Guangxi	48	100%	48
26.	2022	Chaoyang	Liaoning	49.5	100%	49.5
27.	2022	Kaiyuan	Yunnan	350	100%	350
28.	2022	Danfeng	Yunnan	300	100%	300
29.	2022	Guazhou Phase II	Gansu	100	100%	100
30.	2022	Huilong	Hunan	21	100%	21
31.	2022	Jinbi	Hunan	30	100%	30
32.	2022	Xiangbei I	Hubei	100	51%	51
33.	2023	Tonghe	Heilongjiang	300	60%	180
34.	2023	Xiangbei Fengchu II	Hubei	100	100%	100
35.	2023	Donglan	Guangxi	100	100%	100
36.	2024	Qiaodong II	Anhui	51	100%	51
37.	2024	Songbei I	Heilongjiang	100	100%	100
38.	2024	Alashan Distribute	Inner Mongolia	15	100%	15
39.	2024	Wengan Jianzhong	Guizhou	100	100%	100
40.	2025	Yilanhungai I	Heilongjiang	200	70%	140

The following table sets forth certain operating information on our invested and wholly-owned solar power plants in operation, distribution of our attributable installed capacity and the locations of our solar power plants as at 30 June 2025:

S/N	Operational from	Project Name	Location	Installed Capacity	Our Ownership	Attributable Installed Capacity
1.	2012	Hawaii (Hoku)	USA	0.9	80%	0.72
2.	2013	Wisconsin (Jefferson)	USA	1	100%	1
3.	2014	Naidong	Tibet	20	100%	20
4.	2015	Indiana	USA	10	100%	10
5.	2015	Eryuan	Yunnan	30	100%	30
6.	2015	Yanyuan	Sichuan	30	100%	30
7.	2015	Rhode Island (Johnston)	USA	1.5	100%	1.5
8.	2015	Rhode Island (North Kingstown)	USA	0.5	100%	0.5
9.	2016	Ohio (Minster)	USA	4.3	100%	4.3
10.	2017	Cuomei	Tibet	20	100%	20
11.	2017	Jiangzi	Tibet	15	100%	15
12.	2018	Harbin	Heilongjiang	1	100%	1
13.	2021	Xiangbei Agri-PV	Hubei	100	100%	100
14.	2021	Xishui	Hubei	40	100%	40
15.	2021	Dachaidan	Qinghai	100	100%	100
16.	2022	Nandagang	Hebei	70	100%	70
17.	2023	Dachaidan II	Qinghai	100	100%	100
18.	2023	Eastern distributed PV	-	2	100%	2
19.	2023	Cuomei II	Tibet	30	100%	30
20.	2024	Chengde Fengning	Hebei	200	100%	200
21.	2024	Gaoyou	Jiangsu	100	100%	100
22.	2025	Nandagang II	Hebei	50	100%	50
23.	2025	Feilala I	Italy	1	100%	1

As at 30 June 2025, our Company does not have any material plans to construct, expand or improve facilities under our Principal Subsidiaries.

Other Businesses

Other than our Power Generation Business, we also provide renewable energy related services such as provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (i.e. the EPC business), and stock finance lease services. For the financial years ended 31 December 2022, 2023 and 2024 and six (6) months ended 30 June 2025, the revenue generated from our other businesses was RMB286.2 million, RMB329.2 million, RMB236.1 million and RMB64.9 million respectively.

OUR PRODUCTION PLANTS AND CAPACITY

The following table sets out information of our capacity and utilisation rates of our Principal Subsidiaries' renewable energy plants for FY2022, FY2023, FY2024 and 6M2025:

Name of Renewable Energy Plant	Location of Plant	Type of Plant	Capacity (MW)	Theoretical Utilisation Hours ⁽¹⁾				Actual Utilisation Hours ⁽²⁾				Actual Utilisation Hours / Theoretical Utilisation Hours = Rate of Actual to Theoretical Utilisation Hours			
				FY2022	FY2023	FY2024	6M2025	FY2022	FY2023	FY2024	6M2025	FY2022	FY2023	FY2024	6M2025
Jilin Century Concord (Wulanhua D)	Jilin, China	Wind	49.5	3,166	3,166	3,166	1,583	3,691	3,582	3,217 ⁽³⁾	1,442 ⁽³⁾	117%	113%	102% ⁽³⁾	91% ⁽³⁾
Jilin Century Concord (Wulanhua E)	Jilin, China	Wind	49.5	3,158	3,158	3,158	1,579	3,594	3,511	3,127 ⁽³⁾	1,381 ⁽³⁾	114%	111%	99% ⁽³⁾	87% ⁽³⁾
Jingmen Lixi	Hubei, China	Wind	48	2,069	2,069	2,069	1,035	3,133	3,131	2,977	1,368	151%	151%	144%	132%
Yongzhou Jiepai	Hunan, China	Wind	48	1,992	1,992	1,992	996	2,689	2,500	2,388	1,179	135%	125%	120%	118%
Yongzhou Qiaotoupu	Hunan, China	Wind	48	2,044	2,044	2,044	1,022	3,406	3,334	3,210	1,685	167%	163%	157%	165%
Suzhou Deren	Anhui, China	Wind	48	1,908	1,908	1,908	954	2,258	2,412	2,298	1,363	118%	126%	120%	143%
Wuhe Juhe	Anhui, China	Wind	50	2,258	2,258	2,258	1,129	3,170	3,241	3,209	1,899	140%	144%	142%	168%
Tongyu Century Concord (Wulanhua F)	Jilin, China	Wind	49.5	3,312	3,312	3,312	1,656	3,462	3,359	2,965 ⁽³⁾	1,307 ⁽³⁾	105%	101%	90% ⁽³⁾	79% ⁽³⁾
Tongyu Century Concord (Xinfadi)	Jilin, China	Wind	49.5	3,371	3,371	3,371	1,686	3,841	3,751	3,344 ⁽³⁾	1,483 ⁽³⁾	114%	111%	99% ⁽³⁾	88% ⁽³⁾
Kaiyuan Julong	Yunnan,	Wind	350	– ⁽⁴⁾	2,348	2,348	1,174	– ⁽⁴⁾	1,829 ⁽⁵⁾	2,077 ⁽⁵⁾	1,145	N/A ⁽⁴⁾	78% ⁽⁵⁾	88% ⁽⁵⁾	98%

	China														
Shizong Juhe	Yunnan, China	Wind	300	-(4)	2,219	2,219	1,110	-(4)	2,098 ⁽⁵⁾	1,844 ⁽⁵⁾	1,159	N/A ⁽⁴⁾	95% ⁽⁵⁾	83% ⁽⁵⁾	104%
Fuxin Xingda	Jilin, China	Wind	50	2,649	2,649	2,649	1,325	1,802 ⁽⁶⁾	3,788	3,827	1,785	68% ⁽⁶⁾	143%	144%	135%
Total			1,140	25,927	30,989	30,989	15,247	31,046	36,534	34,482	17,196	120%	118%	111%	113%

Notes:

- (1) **"Theoretical Utilisation Hours"** refers to 理论等效发电小时数 (i.e. Theoretical Equivalent Utilisation Hours in the English language), which is the theoretical maximum power generation hours over 20 years, which is estimated based on historical wind resource data and feasibility study reports. The Theoretical Utilisation Hours for 6M2025 are calculated as half of the annual Theoretical Utilisation Hours, assuming an even monthly distribution. However, in practice, utilisation hours are influenced by wind speed and may not be evenly distributed across months.
- (2) **"Actual Utilisation Hours"** refers to 实际等效发电小时数 (i.e. Actual Equivalent Utilisation Hours in the English language), which is the calculated hours for a renewable energy project (e.g. wind power, PVs) in a statistical period (usually a period of one (1) year), where the actual power generation is converted to the equivalent full-capacity operation time.
- (3) The Actual Utilisation Hours of the (i) Jilin Century Concord (Wulanhua D); (ii) Jilin Century Concord (Wulanhua E); (iii) Tongyu Century Concord (Wulanhua F); and (iv) Tongyu Century Concord (Xinfa D) renewable energy plants in FY2024 and 6M2025 were affected by particularly low wind resources in that region of Jilin Province in FY2024 and 6M2025, and that the power curtailment in that area had increased in FY2024 and 6M2025 from the previous years. This had therefore resulted in the lower rate of Actual to Theoretical Utilisation Hours of such renewable energy plant from FY2023 to FY2024 and from FY2024 to 6M2025 respectively.
- (4) The renewable plants in Yunnan (i.e. Kaiyuan Julong and Shizong Juhe) were under construction in FY2022. As such, there is no available data in relation to such renewable power plants for FY2022.
- (5) The Actual Utilisation Hours of the renewable energy plants in the Yunnan Province during the Period Under Review were affected by particularly low wind resources in FY2023 and FY2024. This had therefore resulted in the lower rate of Actual to Theoretical Utilisation Hours of such renewable energy plants in the Yunnan Province region over the Period Under Review.
- (6) Grid connection for the Fuxin Xingda renewable energy plant was only completed in July 2022, as such the Actual Utilisation Hours and the rate of Actual to Theoretical Utilisation Hours (%) of Fuxin Xingda in FY2022 were calculated based on the available data from July 2022 through December 2022.

INVENTORY MANAGEMENT

As the primary end-products produced by our Group are electricity and energy, our Group does not carry a material amount of inventory.

MARKETING

Our Group does not currently engage in significant marketing activities.

MAJOR CUSTOMERS

We sell electricity primarily to the State Grid companies and local grid companies into the transmission grids of the localities where our power plants are situated. With respect to our renewable energy services, our customers primarily consist of large state-owned or private power generation enterprises.

The following table sets out the customers which accounted for 5.0% or more of our Group's total revenue from sales in each of FY2022, FY2023, FY2024 and 6M2025:

Customer	Products or Services provided by our Group	As a % of our Group's Total Revenue			
		FY2022	FY2023	FY2024	6M2025
State Grid Group ⁽¹⁾	Wind and solar power	84.7	73.1	67.7	63.0
China Southern Power Grid Group ⁽²⁾	Wind and solar power	1.4	11.5	17.5	18.6
Harbin Xianben Wind Power Generation Co., Ltd.(哈尔滨市先本风力发电有限公司)	EPC	9.0	-	-	-

Notes:

(1) State Grid Group comprises State Grid and its subsidiaries.

(2) China Southern Power Grid Group comprises China Southern Power Grid and its subsidiaries.

To the best of our Directors' knowledge, as at the Latest Practicable Date, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our relationship with any of our major customers.

As at the Latest Practicable Date, none of our Directors, Executive Officers or substantial shareholders or their respective associates has any interest, direct or indirect, in, and/or are involved in the management of, any of our major customers.

To the best of our Directors' knowledge and belief, there are no arrangements or understanding with any customers pursuant to which any of our Directors and Executive Officers were appointed.

MAJOR SUPPLIERS

We generally procure major materials and equipment, including wind turbines and towers for our wind power projects and solar modules for our solar power projects, inverters and grid-connection equipment from independent third parties in the PRC and internationally. We generally do not maintain any long-term sourcing contract with our suppliers as equipment costs have declined steadily in the long run. Instead, we purchase from them by placing separate purchase orders.

We aim to procure equipment at acceptable quantities and quality in a timely manner. To this end, we select our suppliers based on a set of stringent criteria, including their reputation, quality of products and services, customer services and capability to deliver equipment or services in time. We maintain an approved list of suppliers which is reviewed and updated periodically.

The following table sets out the suppliers which accounted for 5.0% or more of our Group's total purchases in each of FY2022, FY2023, FY2024 and 6M2025:

Supplier	Products or Services provided to our Group	As a % of our Group's Total Purchases			
		FY2022	FY2023	FY2024	6M2025
Windey Group ⁽¹⁾	Wind turbine 风机	22.9	27.1	0.2	-
Sany Renewable Energy Co., Ltd. (三一重能股份有限公司)	Wind turbine 风机	4.3	6.3	2.5	14.3
Jinko Solar Co., Ltd. (晶科能源股份有限公司)	PV module 组件	-	6.7	10.3	9.5
Trina Solar Co., Ltd. (天合光能股份有限公司)	PV module 组件	-	-	20.6	-
NR Engineering Co., Ltd. (南京南瑞继保工程技术有限公司)	Energy storage 储能	-	-	19.2	-
Henan Sijian Engineering Co., Ltd. (河南四建工程有限公司)	Engineering 工程	-	-	4.3	6.4
Supplier A ⁽²⁾	Wind turbine 风机	12.1	9.1	20.7	-
Supplier B ⁽³⁾	Wind turbine 风机	5.2	-	-	-
Supplier C ⁽⁴⁾	Energy storage 储能	-	21.3	-	-
Supplier D ⁽⁵⁾	Operations and Maintenance 运维	3.6	6.3	14.3	14.4

Notes:

- (1) This includes purchases from Windey Energy Technology Group Co., Ltd. (运达能源科技集团股份有限公司) and Heilongjiang Windey New Energy Technology Co., Ltd. (黑龙江运达新能源科技有限公司), which are aggregated, as Heilongjiang Windey New Energy Technology Co., Ltd. (黑龙江运达新能源科技有限公司) is a subsidiary of Windey Energy Technology Group Co., Ltd. (运达能源科技集团股份有限公司).
- (2) Supplier A has not been identified as Supplier A did not provide its consent for disclosure of its identity in this Introductory Document, notwithstanding that the Group had requested for its consent. Supplier A is a wind power generation equipment manufacturer and distributor headquartered in China and supplied wind turbines to our Group.
- (3) Supplier B has not been identified as Supplier B did not provide its consent for disclosure of its identity in this Introductory Document, notwithstanding that the Group had requested for its consent. Supplier B is a power generation equipment manufacturing company headquartered in China and supplied wind turbines to our Group.
- (4) Supplier C has not been identified as Supplier C did not provide its consent for disclosure of its identity in this Introductory Document, notwithstanding that the Group had requested for its consent. Supplier C is a power equipment manufacturing company headquartered in China and provided energy storage equipment and services to our Group.
- (5) Supplier D has not been identified as Supplier D did not provide its consent for disclosure of its identity in this Introductory Document, notwithstanding that the Group had requested for its consent. Supplier D's principal business

activity is the provision of operations and maintenance services and is a company headquartered in China. Supplier D provided operations and maintenance services to our Group.

Save as disclosed above, there are no other suppliers which accounted for 5.0% or more of our Group's total purchases during the Period Under Review. To the best of their knowledge, as at the Latest Practicable Date, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our current relationship with any of our major suppliers.

As at the Latest Practicable Date, none of our Directors, Executive Officers or substantial shareholders or their respective associates has any interest, direct or indirect, in, and/or are involved in the management of, any of our suppliers.

To the best of our Directors' knowledge and belief, there are no arrangements or understanding with any suppliers pursuant to which any of our Directors and Executive Officers were appointed.

CREDIT MANAGEMENT

Credit Terms to Our Customers

Our Group's trading terms with its customers are mainly on credit. The credit period ranges from 30 to 180 days. On certain construction revenue and equipment sales projects, our Group generally grants project final acceptance period and retention period to its customers ranging from one (1) to two (2) years from the date of acceptance according to the sales agreements signed between our Group and our customers. Certain customers are granted a longer credit term depending on factors including, but not limited to, the customer's credit rating, payment history and length of their relationship with our Group. The credit terms for major customers are reviewed regularly by senior management.

Our Group trades only with recognised and creditworthy third parties. It is our Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Our Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise the credit risk. Overdue balances are reviewed regularly by senior management.

Trade Receivables and Tariff Adjustment Receivables

Our Group's trade receivables include receivables from the sale of electricity, provision of construction and other services. We will typically bill for electricity generated from our grid-parity power plants and basic electricity proportion of our subsidised power plants once a month.

Tariff adjustment receivables from the sale of electricity mainly represent receivables of subsidies with the State Grid companies. The collection of the tariff adjustment receivables is subject to settlement by State Grid companies upon finalisation of the allocation of funds by relevant PRC government authorities to the State Grid companies.

Our average trade receivables turnover days for grid-parity projects for both wind and solar power plants is approximately 30 days. Our average trade receivables turnover days for subsidised renewable energy projects in relation to base tariff rates for both wind and solar power plants is also approximately 30 days. Since the payment of renewable energy subsidies varies each year and cannot be accurately predicted, the average trade receivables are calculated by taking into account the total average trade receivables for grid-parity projects and subsidised renewable energy projects as well as delays in subsidies payments.

As regards our subsidised power plants, these are subsidy projects, with receivables comprising both the basic tariff and the tariff adjustment (subsidies). For these projects, the average turnover days for basic tariff receivables is also around 30 days. However, the collection period for subsidy receivables is significantly longer, thereby extending the overall average receivables turnover period. The delay in subsidy payments is a common industry and nation-wide issue. Payment timing primarily depends on the Treasury Department's cash position and fund distribution schedule, which allocates funds to the State Grid companies before disbursement to power generators.

Our average trade receivables and tariff adjustment receivables turnover days for FY2022, FY2023, FY2024 and 6M2025 applicable to our power plants are set out below:

	Audited			Unaudited
	FY2022	FY2023	FY2024	6M2025
Average trade receivables and tariff adjustment receivables turnover days ⁽¹⁾	234	195	195	208

Note:

- (1) The average trade receivables turnover days is computed based on the formula (average of beginning and ending accounts receivable balance / revenue) and multiplied by the number of days in the relevant year/period (i.e. 365 days for FY2022 and FY2023, 366 days for FY2024, and 181 days for 6M2025).

The amount of provision for impairment on trade receivables during the Period Under Review is as follows:

	Audited			Unaudited
RMB'000	FY2022	FY2023	FY2024	6M2025
Provision for impairment on trade receivables ⁽¹⁾	-	1,130	702	544

Note:

- (1) The provision for impairment on trade receivables represents the amount newly incurred in each of FY2022, FY2023, FY2024 and 6M2025.

Our trade receivables as at 30 June 2025 amounted to RMB352.4 million (before provision for impairment), of which RMB224.1 million, representing 63.6% of the trade receivables as at 30 June 2025, comes from our Power Generation Business. Further, our trade receivables from grid-parity projects as at 30 June 2025 amounted to RMB187.6 million, representing 83.7% of the total trade receivables from our Power Generation Business. The aging schedule of the balance of our trade receivables (net of allowance for credit losses) is as follows:

	30 June 2025 (unaudited)	
	RMB'000	%
Within 3 months	217,482	62.5
3 to 6 months	45,760	13.1
6 to 12 months	1,734	0.5
1 to 2 years	12,489	3.6
Over 2 years	70,619	20.3
	<u>348,084</u>	<u>100.0</u>

The provision for impairment is a general provision, and it does not mean that the Group will not be able to collect such receivables.

Our tariff adjustment receivables as at 30 June 2025 amounted to RMB1,352.2 million (before provision for impairment). The aging schedule of the balance of our tariff adjustment receivables (net of allowance for credit losses) is as follows:

	30 June 2025 (unaudited)	
	RMB'000	%
Within 3 months	83,391	6.2
3 to 6 months	89,992	6.7
6 to 12 months	177,707	13.1
Over 1 year	1,001,151	74.0
	<u>1,352,241</u>	<u>100.0</u>

We do not have any material exposure to doubtful trade receivables for each of FY2022, FY2023, FY2024 and 6M2025.

Credit Terms from Our Suppliers

Our suppliers generally extend to us credit terms of up to one (1) year for goods purchased, while the retention payables are typically settled over a period exceeding one (1) year. The availability of credit and the credit terms extended to us differ from supplier to supplier depending on, among others, the size of our order and the length of our relationship with the particular supplier.

Our average trade and bills payables turnover days for FY2022, FY2023, FY2024 and 6M2025 are set out below:

	FY2022	FY2023	FY2024	6M2025
Average trade and bills payables turnover days ⁽¹⁾	454.2	452.7	333.8	130.9

Note:

- (1) The average trade and bills payables turnover days is computed based on the formula (average of beginning and ending trade payable balance / cost of sales) x 365 days for each of FY2022, FY2023 and FY2024, and 181 days for 6M2025.

MATERIAL LICENCES, PERMITS AND APPROVALS

In operating our business, we are required to obtain various licences and permits under applicable laws. See the section entitled "*Regulations*" of this Introductory Document for further details. As at the Latest Practicable Date, our Group has obtained all the material licences and permits required for our business operations.

The following table sets out details of the material licences, permits and/or approvals held by our Principal Subsidiaries in respect of our business as at the Latest Practicable Date:

Registration Number of Licence/ Permit/ Approval	Name / Description of Licence / Permit / Approval	Issuing Authority / Jurisdiction	Term
<u>Licences Held by Yongzhou Jiepai</u>			
1052316-00089	Electricity Power Business Licence	Hunan Supervision Office of the National Energy Administration	29 November 2016 to 29 November 2036
<u>Licences Held by Jilin Century Concord</u>			
1020820-00427	Electricity Power Business Licence	Northeast China Energy Regulatory Bureau of NEA	3 April 2020 to 2 April 2040
<u>Licences Held by Jingmen Lixi</u>			
1052219-00795	Electricity Power Business Licence	Central China Energy Regulatory Bureau of NEA	18 June 2019 to 17 June 2039
<u>Licences Held by Tongyu Century Concord</u>			
1020820-00436	Electricity Power Business Licence	Northeast China Energy Regulatory Bureau of NEA	12 October 2020 to 11 October 2040
<u>Licences Held by Fuxin Xingda</u>			
1020722-09121	Electricity Power Business Licence	Northeast China Energy Regulatory Bureau of NEA	6 September 2022 to 5 September 2042
<u>Licences Held by Yongzhou Qiaotoupu</u>			
1052318-00009	Electricity Power Business Licence	National Energy Administration Hunan Energy Regulatory Office	30 January 2018 to 29 January 2038
<u>Licences Held by Kaiyuan Julong</u>			

Registration Number of Licence/ Permit/ Approval	Name / Description of Licence / Permit / Approval	Issuing Authority / Jurisdiction	Term
1063023-01643	Electricity Power Business Licence	Yunnan Energy Regulatory Office	21 March 2023 to 20 March 2043
<u>Licences Held by Shizong Juhe</u>			
1063023-01645	Electricity Power Business Licence	National Energy Administration Yunnan Energy Regulatory Office	29 March 2023 to 28 March 2043
<u>Licences Held by Suzhou Deren</u>			
1041817-00374	Electricity Power Business Licence	National Energy Administration Huadong Energy Regulatory Office	13 July 2017 to 12 July 2037
<u>Licences Held by Wuhe Juhe</u>			
1041819-00457	Electricity Power Business Licence	National Energy Administration Huadong Energy Regulatory Office	5 June 2019 to 4 June 2039

To the best of our Directors' knowledge, our Group has obtained all the necessary licences, permits and approvals that will materially affect our business operations, and our Group is in compliance with all applicable laws and regulations that will materially affect our business operations. See the section entitled "*Regulations*" of this Introductory Document for further information. As at the Latest Practicable Date, none of the aforesaid licences, permits and approvals have been suspended, revoked or cancelled, and to the best of our Directors' knowledge and belief, we are not aware of any facts or circumstances which would cause such licences, permits and approvals to be suspended, revoked or cancelled, as the case may be, or for any applications for, or renewal of, any of these licences, permits, approvals and certificates to be rejected by the relevant authorities.

QUALITY ASSURANCE

We normally carry out the following quality control measures to maintain the quality of our services:

- formulate quality control policies, develop quality control processes and adopt quality control standards;
- set up a detailed workflow and unified specifications for our works; and
- establish quality supervision and management structures.

Our quality supervision and construction management team is responsible for the overall quality control throughout the entire construction process from purchase of raw materials to project delivery.

During the Period Under Review and up to the Latest Practicable Date, we did not receive any third-party complaint regarding the safety of our services which would make us subject to formal notice, investigation or penalty by any competent government authorities.

RESEARCH AND DEVELOPMENT

Research and development activities are not material to our Group's business.

EMPLOYEES

The following table sets out a breakdown of our number of employees by activity as at 31 December 2022, 2023 and 2024 and 30 June 2025:

Activity	As at 31 December			As at 30 June 2025
	2022	2023	2024	
Management and Service				
• Executives	21	26	25	27
• Accounting, Finance and Capital	50	43	50	49
• Admin and Human Resource	34	37	38	34
• Risk Control	10	12	12	12
• Operation Management	92	85	66	66
Renewable Energy Project Development, Construction and Operations	460	548	481 ⁽¹⁾	411 ⁽¹⁾
Operations and Maintenance	1,747	-	-	-
Other business sectors (including engineering consulting services and finance leasing etc.)	160	244	142	137
Total	2,574 ⁽²⁾	995 ⁽²⁾	814	736

Notes:

- (1) The reduction in headcount in our Renewable Energy Project Development, Construction and Operations function between 31 December 2024 and 30 June 2025 was due to the outsourcing of such function by our Group to external service providers. Through the outsourcing of our Renewable Energy Project Development, Construction and Operations functions, our Group is able to enhance operational efficiency, achieve cost savings, and optimise resource utilisation.
- (2) The reduction in headcount between 2022 and 2023 was due to the deconsolidation of our operation and maintenance of power plants segment. In 2023, our wholly-owned subsidiary, Beijing Juyang, had transferred its shareholding interest of 38.75% in Beijing Century Concord Operations and Maintenance Co., Ltd. ("**Century Concord O&M**") (a 72%-owned subsidiary of the Company) to Xizang Dingyu Century Concord New Energy Development Co., Ltd. ("**Xizang Dingyu**"), retaining a 33.25% stake and reclassifying it as a joint venture. Accordingly, the headcount in Century Concord O&M under our Group was also reclassified (i.e. the headcount in Century Concord O&M was separated from our Group's headcount).

The following table sets out a breakdown of our number of employees by geographical location as at 31 December 2022, 2023 and 2024 and 30 June 2025:

Geographic location	As at 31 December			As at 30 June 2025
	2022	2023	2024	
PRC	2,563	970	761	671

United States	6	8	10	18
Canada	1	1	1	1
Singapore	2	6	14	16
South Korea	2	2	2	4
Italy	0	3	3	3
Spain	0	2	3	1
Austria	0	3	4	4
Bosnia and Herzegovina	0	0	5	5
Philippines	0	0	3	5
Kenya	0	0	2	2
New Zealand	0	0	3	2
Australia	0	0	3	4
Total⁽¹⁾	2,574	995	814	736

Note:

(1) Comprising, *inter alia*, our Executive Directors, Executive Officers, and operational management staff.

The Principal Subsidiaries have not established labour unions.

To date, we have not experienced any labour strikes, work stoppages or labour disputes that affected our operations, and we consider our relationship with our employees to be good.

Our Company considers employees with contractual terms of less than six (6) months to be temporary employees, and our Group does not employ employees on a temporary basis.

PROPERTIES AND FIXED ASSETS

We hold land use rights or expect to obtain land use rights to the land on which our power plants, electric power generation and storage facilities are located.

The details of the material properties owned by our Principal Subsidiaries as at the Latest Practicable Date are set out in the section entitled "*Appendix F – Material Properties*" of this Introductory Document. Under the PRC laws, all the lands in the PRC are owned by the state or collectively owned by individuals through their rural collective organisations. Any person or entity that is not a rural collective organisation may only obtain land use rights of the land, and thus, having the land use rights is similar to owning the land under the PRC laws.

The following table sets out information on the material properties leased by our Principal Subsidiaries as at the Latest Practicable Date:

Location	Name of Lessor	Name of Lessee	Usage	Area (m ²)	Lease Term
Shengongwan Village, Jiepai Township, Jianghua Yao Autonomous County	Yongzhou Jiepai	Yongzhou Qiaotoupu	Booster station	The whole booster station	Until Yongzhou Qiaotoupu has paid all debts to Lender B under the Financial Leasing Contract (北银金租[2021]回字 0016 号) ⁽¹⁾
Jianghua Yao Autonomous County	Jianghua Yao Autonomous Land and Resources Bureau	Yongzhou Jiepai	Wind farm and related constructions	Total area unverifiable	N/A ⁽²⁾
Fuli Town Yongqiao District	People's Government of Fuli Town Yongqiao District	Suzhou Deren	Roads and land for collection lines up the mountain	Total area unverifiable	22 March 2016 to 21 March 2041
Jiagou Town Yongqiao District	People's Government of Jiagou Town Yongqiao District	Suzhou Deren	Roads and land for collection lines up the mountain	Total area unverifiable	25 years from February 2016 (i.e. until February 2041)
Baiping Village	People's Government of Zilingpu Town, Dongbao District, Jingmen City	Jingmen Lixi	Land for collection lines, maintenance road and access road for booster station.	Total area unverifiable	Permanent
Xinhua Village	People's Government of Lixi Town, Dongbao District, Jingmen City	Jingmen Lixi	Land for collection lines, maintenance road and access road for booster station.	Total area unverifiable	Permanent
Shangquan Village	Village Committee of Shangquan Village, Shiqiaoyi Town, Dongbao District, Jingmen City	Jingmen Lixi	Land for collection lines, maintenance road and access road for booster station.	Total area unverifiable	Permanent

None of the leases set out above may be unilaterally terminated by the lessor.

Notes:

- (1) As the wind farm operated by Yongzhou Qiaotoupu does not have an independent booster station and instead utilises the booster station owned by Yongzhou Jiepai, Lender B has, in the financial leasing contract, imposed a requirement on Yongzhou Jiepai to lease the booster station to Yongzhou Qiaotoupu. This arrangement aims to ensure that Yongzhou Qiaotoupu can consistently operate its equipment in accordance with the financial leasing contract entered into between Yongzhou Qiaotoupu and Lender B. Consequently, a separate lease agreement was entered into among Yongzhou Qiaotoupu, Yongzhou Jiepai, and Lender B, stipulating that Yongzhou Jiepai would lease the booster station to Yongzhou Qiaotoupu until all debts owed by Yongzhou Qiaotoupu to Lender B are settled and such period should be no less than 10 years commencing from 19 March 2021.
- (2) Yongzhou Jiepai entered into land acquisition agreements with the local government, which also encompassed the leased land. Such agreements did not specify a term, which would mean that the lease term is for an indefinite period.

INTELLECTUAL PROPERTY

The Group does not own or use any material intellectual property rights.

INSURANCE

With regard to our Power Generation Business, we normally purchase certain insurance policies, including installation all-risks insurance, property all-risks insurance, machinery breakdown insurance and public liability insurance, to provide coverage for personal injury, disease or property loss suffered by third parties or by us in the work site and in adjacent areas caused by accident relating to machinery, equipment and civil works as well as works covered by the insurance contracts. We believe such insurance coverage is commensurate with our business structure and risk profile. In accordance with the relevant PRC laws and regulations, we also purchase pension, medical, unemployment, work injury and maternity insurance for our employees. Regarding our limited EPC business with external customers, we typically act as the primary contractor responsible for the overall execution of the EPC project. In such arrangements, we subcontract certain scopes of work to qualified EPC suppliers. It is generally the responsibility of these subcontractors to ensure that migrant workers' occupational injury insurance is in place for their migrant workers engaged in on-site activities.

We believe that our insurance coverage is adequate for our business needs and operations and in line with industry practice. We will continue to regularly review and adjust our insurance coverage based on our needs and industry practice.

SEASONALITY

Our renewable energy business is materially affected by seasonality. The amount of electricity generated by our wind plants is dependent on the wind speed at the location of the wind plant. The generation of wind power may vary in different seasons due to changes in wind patterns. Our power production via solar energy is directly affected by seasonal changes in solar irradiance and sunlight duration which is normally the highest during the summer months and lowest during the winter months.

Please refer to the risk factor entitled *"Failure to achieve sufficient utilisation of our facilities may adversely affect our earnings – The operation of our plants may be adversely affected by weather and climate conditions, natural disasters and seasonal fluctuations."* of the section entitled *"Risk Factors – Risks Relating to Our Business and Industry"* of this Introductory Document for further details.

ENVIRONMENT, HEALTH AND SAFETY COMPLIANCE

We engage in renewable energy businesses such as wind and solar power, actively implementing energy conservation and emission reduction policies over the long term, making positive contributions to improving the energy structure, reducing air pollution and greenhouse gas emissions, and diminishing smog. We fulfil our environmental responsibilities according to local environmental laws and industry standards, are committed to investing in and managing environmental protection, soil and water conservation, and biodiversity protection, and earnestly fulfil our social responsibilities and strive for sustainable development of both the environment and humanity. We also adhere to the concept of green office practices, reducing carbon emissions from its office operations and improving the efficiency of resource and energy use.

We are subject to numerous laws and regulations governing, among others, land utilisation, development and zoning plans, wastewater discharges, solid and hazardous waste management, and the use, composition, handling, distribution and transportation of hazardous materials. We are also subject to environmental regulations such as regulations relating to the safeguarding of natural conditions and biodiversity. Under such regulations, we are required to construct and maintain facilities to avoid polluting the areas in which we construct wind and solar power plants. See *"Regulations."* of this Introductory Document for further details.

We strictly comply with environmental laws and policies in the countries where we invest in, proactively taking on the responsibility for energy conservation and emission reduction. There were no violations of environmental laws, regulations, or policies in the countries where the Group invested in FY2022, FY2023, FY2024 and 6M2025. We also actively fulfil our social responsibilities, concentrating on clean

energy business development while also dedicating efforts to public welfare, giving back to society in various ways.

In FY2024 and 6M2025, we continued to develop low-carbon businesses such as wind and solar power generation, reducing greenhouse gas emissions, air pollutants, saving standard coal consumption and water resource usage for society. Meanwhile, we also actively addressed the challenges of climate change, strengthened its environmental management, and reduced its environmental impact.

We also regularly assess the impact of laws and regulations related to its business, strictly comply with legal requirements, and rigorously implement industry regulatory requirements for environmental protection, safety, and operations in renewable energy businesses such as wind and solar power generation. We continuously seek to enhance the management and sustainable development capabilities of power plant development, construction, and operation. We established a multi-tiered safety and quality management system, focused on ecological protection, adopted new technologies to reduce environmental impact, safeguarded employee rights, and promoted joint development of our Group and our employees.

We uphold our operations to a high standard of safety, health and environmental sustainability. To this end, we have established a sound safety control system for our operations. Our safety control program combines close supervision and routine inspection of site conditions with continual implementation of safety measures and procedures at our power plants and safety training for our personnel.

MATERIAL LEGAL PROCEEDINGS

None of our Principal Subsidiaries is a party to any litigation or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of this Introductory Document, a material effect on the financial position or profitability of our Group.

ORDER BOOKS

Due to the nature of our business, our customers do not place orders for our products and services in advance for the Group to fulfil at a later date. We sell electricity and other products and provide services to our customers based on the contracts entered into with our customers. Hence, the concept of order books is not relevant to our business.

COMPETITION

We operate in a highly competitive industry. Our existing and potential competitors include other renewable energy power companies and conventional players. Some of our competitors target different segments of the renewable energy market and some focus only regionally. We generally compete based on the quality, the operating track record and the related services of the wind and solar power plants.

While we compete both globally and on a regional basis, we believe we have a good market share in China. We believe that we are able to compete against other renewable energy providers due to the following factors in terms of our products and services:

- our flexibility and adaptability in business strategy, allowing us to respond effectively to changing market conditions;
- our extensive and cumulative professional experience;
- our strict cashflow management ensures financial stability and sustainability;
- our key competitive advantage in achieving the lowest LCOE; and
- our established reputation.

For additional information concerning the competitive risks that we face, see the section entitled "*Risk Factors – Risks Relating to our Business and Industry – We may not be able to develop or acquire additional attractive wind and solar power plants to grow our project portfolio and maintain our competitiveness.*" of this Introductory Document.

COMPETITIVE STRENGTHS

We believe that our success and ability to capitalise on future growth opportunities are attributable to our following strengths:

One of the clean energy industry frontrunners that adjusts to evolving policies in a timely manner

From the beginning, we have focused on being able to track, analyse and capitalise on industry developments and sector potentials to ensure that our business and growth strategies are always up-to-date and timely implemented. Our keen foresight and ability to make fitting adjustments to our direction and plans has given us a frontrunner advantage in terms of capturing opportunities and building on our market position. We believe that our corporate history and milestones bear testament to this: for example, in anticipation of the rapid growth of China's wind power industry following the introduction of the PRC Renewable Energy Law in 2005 and the Wind Power FIT policy in January 2006, we actively expanded our project resources and entered into joint ventures with state-owned energy enterprises to develop power plants. We gained first-mover advantage, and secured valuable resources and collaborated with state-owned and central enterprises to develop and construct a number of power plants. Similarly, by the time the NDRC published the "Notice of the National Development and Reform Commission on Improving the Policies for On-Grid Solar Power Prices" and announced the Solar Power FIT policy in 2011, within the same year three (3) of our solar plants commenced operation which allowed us to reap benefits from the favourable electricity pricing then.

As we grew our operations, we continued to be closely guided by timely assessment of the industry landscape and changing dynamics, such as our "Go South" strategy implemented since 2011 after we observed increasing power curtailment in the Northern China regions where our operations were concentrated, which saw us make a timely switch in our asset portfolio into new construction projects in Southern China, an area that was not limited by the curtailment issue. The end result was the excellent performance by our wholly-owned wind power projects in southern parts of China, maintaining relatively low to zero power curtailment. From 2016, we began large-scale sales of our solar assets to refocus on solely-funded wind power development and investment because we predicted the gradual downward adjustment of FIT would continue and determined that we should reduce our reliance on renewable power subsidies, which made up a high proportion of solar FIT projects, and further optimise our asset quality. Our decision to do so proved to be a timely one as the rise in merger and acquisition activities relating to solar power plants due to a supportive government stance since 2014 that facilitated an increase in valuation eventually resulted in an oversupply situation and made asset disposals difficult. In 2016 and 2017, we made timely sales of our Yushen and Yuyang solar power projects with a total installed capacity of 300MW and realised a considerable amount of premium in return at the best timing. Correctly forecasting the PRC's industrial progression into an era of grid parity, we promptly increased the number of our grid-parity projects in 2019, constructed and completed our first grid-parity project within the same year and have since accumulated a sizeable portfolio of grid-parity projects with a total approved grid-parity capacity of 3,380MW as at 30 June 2025. Concurrently, we sold 201MW, 196MW, 518.2MW and 189MW of wind power FIT projects to reduce our reliance on subsidy from 2019 to 2022, respectively.

We believe that our commitment to being fluid and responsive to changes in government policies, industry developments and market trends will enable us to preserve our advantage as one of the frontrunners and serve us well in our future growth.

Premium quality assets, achieving operational efficiency and profitability

Taking advantage of the favourable government policy encouraging the development and utilisation of renewable energy, including wind and solar power, we have built a portfolio of high-quality clean power generation assets. As at 30 June 2025, we had equity interests in 91 wind and solar power plants held through our subsidiaries, joint ventures and associated entities located across 19 provinces and

autonomous regions in China, including Yunan, Hunan, Hubei, Anhui, Heilongjiang, Jilin and Inner Mongolia Autonomous Region, 5 cities in the United States as well as in Italy, with an aggregate total installed capacity of 4,778MW. All of our wind and solar plants in China are strategically located in areas that we believe, based on our feasibility studies and analysis of factors such as wind speed, solar irradiation of the site, applicable on-grid tariffs and government subsidies, conditions for local grid connection, electricity transmission infrastructure and local demand of electricity, which we believe will enable us to exceed our predetermined minimal rate of return on investment.

Given that revenue generated from our Power Generation Business segment contributed 88.1%, 87.3%, 91.4% and 95.4% of our total segment revenue for the years ended 31 December 2022, 2023 and 2024 and 6M2025 respectively, high profitability made possible by our carefully curated power assets is also key. For the years ended 31 December 2022, 2023 and 2024 and 6M2025, our net profit margin was 38.6%, 38.2%, 31.8% and 20.9% respectively. Considering that our wind power plants account for 80.5% of our total attributable installed capacity in 6M2025, this results in greater power generation and higher profitable returns. Our overall return has been stable and efficient. This is evident from our return on equity (which represents profit for the year divided by total equity for the same year) in 2024 of 9.8%.

We also believe that there are likely to have sufficient reserves for our future sustainable growth. As at 31 December 2024 and 30 June 2025, our cumulative wind and solar resource reserves in China exceeded 10.75GW and 9.14GW respectively, comprising approximately 6.5GW and 5.59GW of wind and about 4.25GW and 3.55GW of solar respectively, suitable for future development. Our diverse range of our reserves and project pipeline that provides us with adequate flexibility to tailor and adjust our future project development plans as necessary to changes in government policies and sentiment impacting the renewable energy industry.

Project development achieving new successes globally

The Group has been closely monitoring changes in the industry and market, decisively assessing developments in both international and Chinese markets, and promptly adjusting its development strategies. We have been focusing on promising international markets and key provincial markets within China. In 2024 and 6M2025, the Group secured a total of 1,399MW and 752.2MW of new wind and solar projects worldwide respectively, including 720 MW and 600MW in China respectively and 679 MW and 152.5MW abroad respectively. Additionally, it secured 308MW/616MWh and 300MW of energy storage projects in international markets in 2024 and 6M2025 respectively.

For projects in China, we prioritise approvals, employ dynamic assessments for rigorous screening, and focus on reducing development costs, improving success rates, and mitigating risks. In 2024 and 6M2025, we secured 720MW and 600MW of new wind and solar projects (listed in provincial annual construction plans) respectively. In 2024, we secured 2,294 MW of new wind resources and 160 MW of new solar resources and in 6M2025, our newly commissioned projects added an attributable capacity of 191 MW, including 140MW of wind and 51MW of solar power. By the end of 2024, our cumulative wind and solar resources reserves in China exceeded 10.75GW, comprising approximately 6.5GW of wind and about 4.25GW of solar. By end of June 2025, our cumulative wind and solar resources reserves in China exceeded 9.14GW, comprising approximately 5.59GW of wind and about 3.55GW of solar.

A renewable energy company

Over the years, we have built a business model covering a comprehensive renewable energy value chain. Benefits that we reap from our business model include reduced costs, improved quality control and better operational efficiency. Our various businesses develop synergistically and complement one another. We then fully realise the synergies among our businesses to maximise the strengths of our group operations, optimise our resource allocation efficiency and thereby contribute to achieving our overall growth targets. Vertical integration enables us to streamline our processes and implement better overall execution and achieve greater economies of scale and cost efficiencies. For example, we are capable of developing wind and solar power plants on our own, thus avoiding substantial acquisition costs and mitigating related risk exposures. This facilitates flexible expansion – as at 30 June 2025, we had 91 wind and solar power plants built across China and in the United States with a total attributable installed capacity of 4,778MW and our cumulative wind and solar resources reserves in China

exceeded 9.14GW, comprising approximately 5.59GW of wind and about 3.55GW of solar. All of our current PRC power plants in operation are self-developed and not acquired from third parties. Our development capabilities are in turn refined and enhanced by our provision of, as well as design, engineering and research and development consultancy for renewable energy projects. This means we can more effectively formulate project plans and control our construction cycle, improve project quality, reduce power generation costs and ensure the stable performance of our power plants. Furthermore, by participating at such key stages along the industry value chain, we are able to obtain the most up-to-date market intelligence and industry information, which puts us in a better position to capitalise on opportunities for growth, such as our diversification into smart energy solutions.

We discerned the increasingly important role that technology plays in the development and operation of power plants and added technologically advanced tools to our suite of offerings designed. We optimise day-to-day operations by leveraging on our big data analysis and monitoring cloud platforms, such as Power+ and PowerInsights. Besides providing us with new revenue sources, the technical experience and competencies we gain are then channelled back into our own development and operation of power plants.

Our business model essentially allows us to share resulting benefits and competitive advantages across business lines, incorporate the principle of “the lowest LCOE” into our operations and reinforce our overall core competitiveness. We emphasise project development quality, prioritise projects with good investment potential and focus on profitable projects. Our continuous innovation efforts allow us to track and apply new technologies, new turbine types and new processes to construct quality and highly efficient power plants. We actively promote the application of energy IoT to increase power efficiency as well as technical enhancement measures such as blade extension to further reduce our LCOE. A commitment to structure optimisation, where we continuously strive to improve our asset quality and portfolio, also allows us to compete effectively, particularly as the renewable energy industry moves toward grid parity. The LCOE of our wholly-owned wind and solar power plants was RMB0.2434 per kWh for 2024 and RMB0.235 per kWh for 6M2025.

Prudent financial management policy based on diversified and stable financing channels

We maintain strict financial policies to closely monitor our asset-liability ratio, interest coverage ratio, return on invested capital, minimum cash balance and other key financial indicators. Benefiting from our prudent financial policy, we have been able to maintain a strong cash position and a healthy borrowing profile. As at 30 June 2025, 41% of our loans are long-term loans with a term of approximately 15 years, of which the maturity of such loans closely matches the operation cycle of our power plants. This enhances the management of our working capital and provides sufficient financial support to our business. The diversity and flexibility of our financing channels also effectively satisfy the requirements for our continuous business development. We have accumulated significant experience and expertise in financing wind and solar power plants, minimising investment risks and financing costs, optimising capital structure and maximising returns for wind and solar power plants. Our treasury management team has worked with a variety of lenders and investors, including banks, private equity funds, utility companies and conglomerates. Leveraging our relationship with various financing sources, we have been able to acquire financial resources to support our operations and expansion in an efficient and prudent manner. This enables us to undertake long-term financial planning without being affected by any short-term contingencies as well as to ensure our sound financial condition.

We have built extensive and strong relationships with financial institutions, including some of the leading banks both in and outside China. In particular, our cooperation with leading international financial institutions has proven our sustainable profitability with growth potential in the future and our compliance in the aspects of legal, environment and management, which has, in turn, improved our internal control system and overall management. We also maintain strategic cooperation with a number of leading financial leasing companies, including some highly creditable names backed by state-owned enterprises. Our relationship with these reputable financial leasing companies has enabled us to secure financial lease funding at a relatively low interest rate. As at 30 June 2025, the weighted average interest rate of our onshore bank and other borrowings and financial leasing arrangements, the proceeds of which were mostly used to satisfy our project financing requirements, was 3.63% per annum.

The breadth of our financing arrangements enables us to precisely meet our funding needs and lower our financing costs to the maximum extent possible. We carefully evaluate the financial requirements

in connection with our project development plans, and conservative financial management has helped us sustain profitability. We also closely monitor market conditions and ensure that our management is kept updated and informed in order to make financial decisions.

In addition, we utilise a broad range of financing solutions tailored to optimise our capital structure, including onshore and offshore solutions, such as finance lease, project finance, convertible loans, equity finance through issuance of new shares and debt financing through issuances of senior notes, green bonds and medium-term notes. We have successfully completed multiple rounds of capital raising transactions and realised achievements from domestic and international capital markets.

Strong and experienced management team with deep industry knowledge

Our senior management team and key technology personnel have been with our Group for over 15 years and are highly skilled and dedicated and committed professionals with valuable work experience gained in national energy authorities and large-scale enterprises and have in-depth knowledge of energy-related government policies and technological developments in the renewable energy industry. For example, our Chairman, Mr. Liu Shunxing has over 35 years of experience in the energy industry and, specifically, over 20 years of experience in renewable energy. Similarly, our chief executive officer, Mr. Niu Wenhui, has approximately 15 years of experience in the energy industry. Our Executive Directors and senior management members have demonstrated their responsiveness to market changes and their ability to make difficult decisions, which has enabled us to achieve sustained and profitable growth even in times of economic uncertainties. Bolstered by senior executives recruited from government bodies and large state-owned enterprises and who bring with them a wide range of expertise, we believe that our leadership possesses the vision and insight required to effectively execute our growth strategy and take us forward.

BUSINESS STRATEGIES AND FUTURE PLANS

In order to become a leading supplier of renewable energy and related services, we intend to pursue the following principal strategies and plans:

Expanding internationally to diversify revenue streams and capture growth opportunities

We are actively exploring global / international investment opportunities while strengthening our existing business operations in the PRC to diversify risks and enhance resource allocation. Expanding internationally will allow us to reduce or mitigate country-specific investment risks such as economic downturns, regulatory changes, or political instability, to ensure greater revenue stability and risk diversification across different regions. We will also focus on making high-quality and stable global / international investments, targeting the best opportunities in strategic markets that align with our long-term growth objectives. These investments, when coupled with our leading wind power technology and industry expertise, provide us with a competitive edge in the international markets. These strategic investments would also allow us to innovate through the exchange of insights and expertise, driving sustainable growth and positioning us as leaders in new regions.

Continue to adopt dynamic management of our business development and optimise our asset portfolio

We will continue to implement agile management of our corporate growth by closely tracking industry trends and market developments and adjusting our business plans as appropriate to combat threats and take advantage of opportunities presented. Our focus remains on our power generation business, given the promising prospects of wind power and solar power generation driven by technological innovation and energy transition policies. On 18 October 2024, the NDRC and five (5) other ministries and commissions jointly issued the Guiding Opinions on Vigorously Taking the Renewable Energy Substitution Action (《国务院发展改革委等部门关于大力实施可再生能源替代行动的指导意见》), which sets forth the principles of comprehensively increasing renewable energy supply capacity, accelerating the construction of supporting infrastructure for renewable energy, and promoting the alternative applications of renewable energy in key fields, among other things. We will continue to review our investment strategies in a timely manner by closely monitoring and studying grid development, power consumption and electricity price trends and optimising our asset portfolio and

quality to allow us to concentrate our resources on key regions and high-quality projects that align with our strategy.

Asset optimisation remains key to our continued success. As renewable energy projects find increasing favour with investors, such as our business transaction partners with whom we have taken care to cultivate close relationships with over the years, we will continue expanding our partnerships with international companies, regularly analyse our project and investment returns and continue to pursue our “build-sell” strategy. Through such capital operation, we believe we can enhance our asset quality, and achieve better operational management of our asset portfolio.

We will also continue to implement asset transfers that proactively respond to market changes to improve our overall asset structure, making it more robust and better positioned to withstand economic fluctuations and market risks. We intend to streamline our assets and focus on other potential and existing investments by engaging in the strategic disposal of assets, taking into the assets value, performance and materiality to the Group. This will not only improve our capital efficiency but also enable us to strengthen our financial position by enhancing the liquidity and flexibility of our asset portfolio. We will reinvest the cash inflows generated through such asset disposals in new projects that align with our growth objectives, thereby driving further expansion and maximising our capital efficiency, and enhance our financial resilience and long-term growth potential.

Enhance our project development capabilities and operational processes

We will continue to cement and build on our market position through upgrading our core competencies in project development and power generation and fine-tuning our operational processes to achieve better business output performance. One of our strategies is to keep implementing the principle of “the lowest LCOE” into every aspect of our project development cycle, improve efficiency of our power plants and ensure we remain competitive. We will also accelerate project construction to guarantee our power plants’ timely production and ensure the steady growth of our attributable installed capacity, as well as improve safety management and control for better and more efficient power production. In addition, we will continue to build a leading power trading team to improve the accuracy and efficiency of trading decisions.

We intend to continue our research and development efforts and consciously deploy advanced technologies in the development, operation and maintenance of our wind and solar power plants to consistently improve their overall performance. For example, following the technological development which improves efficiency of generators, we are now able to utilise generators with higher towers and extra-long blades designed for less-than-ideal sites and low-wind speed areas, which has significantly increased our power generation capacity in low-wind speed areas under similar conditions. We will also leverage the smart energy solutions we have developed to enhance our operations, such as stepping up the application of Power+ and PowerInsights cloud platforms and big data management systems to achieve a step change in pivoting to intelligent operations and refined management.

We will resolutely implement the Group’s project development strategy of “Prioritising Quality over Quantity”. We will continuously monitor market changes and focus on high-quality projects in regions with high investment efficiency and strong return certainty. We will make every effort to secure approvals and get projects ready for construction, flexibly engage in various cooperation models and accelerate the value realisation of our existing project development achievements.

Adhere to prudent financial and cost management to ensure sustainable growth, capital sufficiency and profitability

We intend to continue our prudent approach to financial management and cost control with emphasis on close monitoring of our capital and cash positions, and maintaining discipline in our capital commitments as well as a high level of operating cash flow consistently to support ongoing operations and strategic investments. This includes the continued use of financial leverage to enhance our return on equity, and to enable us to lower risk exposure yet remain poised to capture strategic market opportunities as they arise. We will continue to carefully manage key measures, such as project development costs, construction costs, cash flows, indebtedness and capital expenditures. We will uphold a disciplined and professional approach across the development, construction, and operation of our renewable energy projects, striving to continuously lower our cost per kWh and enhance profitability.

We will also continue to emphasise good management of our revenue streams to ensure adequate cash flow for our ongoing capital requirements.

We continuously monitor the operating cash flow coverage ratio for short-term debt, as well as the total scale of interest-bearing liabilities and the interest coverage ratio, to ensure effective debt risk management and compliance with our interest and liability obligations. With strong support from the government and favourable policies, the renewable energy industry has seen increasing welcome and support from financing institutions. Based on our experience, many financiers now offer project financing where up to 80% of the project cost can be covered by loans, with only 20% requiring capital contribution.

To ensure proper checks and balances on our finances, we have implemented an internal control and audit system and will continue our efforts to ensure this system is well-integrated into our organisational structure. In terms of our debt structure, we will still focus on 10 to 15-year medium and long-term project financing in the future in order to mitigate risks and meet the requirements specific to our industry. In addition, we will closely monitor our assets-liability ratio, interest coverage ratio, return on invested capital, minimum cash balance and other important financial indicators. We also seek to maintain our long-standing working relationships with existing banking and financial partners to ensure ready and available sources of financing for our future growth. We consider that our financial leverage is still at a manageable level to provide us with funding headroom and financing flexibility.

We are committed to improving our operational efficiency, reducing management expenses, and increasing profitability to maximise our shareholder returns. This includes carefully managing office, travel, and other administrative costs to optimise resource utilisation and minimise unnecessary expenditures. We will prioritise enhancing corporate profitability and maximising shareholder value by implementing a flexible development strategy. This approach involves reducing investments in regions with high curtailment rates while increasing investments in economically developed areas with stronger demand and more favourable market conditions. By reallocating resources to regions with better infrastructure, higher consumption capacity, and stable regulatory environments, we aim to optimise asset efficiency, improve revenue stability, and mitigate risks associated with energy curtailment. This strategic shift not only enhances financial returns but also strengthens our market positioning, ensuring long-term sustainable growth and value creation for our Shareholders.

REGULATIONS

The following is a summary of the material laws and regulations applicable to our Group as at the Latest Practicable Date. With regards to the PRC laws, the PRC Legal Adviser to the Company and the PRC Legal Adviser to the Issue Manager are of the view that during the Period Under Review, the Principal Subsidiaries have complied with relevant PRC laws currently in effect that would materially affect their business operations in all material aspects. Further, the PRC Legal Adviser to the Company and the PRC Legal Adviser to the Issue Manager are of the view that the principal activities of the PRC subsidiaries of our Group incorporated in the PRC are in accordance with their respective business licences. As at the Latest Practicable Date, our Group is in compliance with the laws and regulations that would materially affect our business operations.

THE PRC

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the material laws and regulations that are applicable to our current business activities within the PRC. Information contained in this section should not be construed as a comprehensive summary of the laws and regulations applicable to our Group.

RELEVANT PRC LAWS AND REGULATIONS IN RELATION TO THE INDUSTRY

Principal Regulatory Authorities Relating to Our Business

The Company and its PRC subsidiaries are principally subject to the supervision and restriction by various PRC governmental agencies and regulatory authorities. Such governmental agencies and regulatory authorities and their functions are set out below.

The NDRC and its local counterparts are responsible for:

- setting and implementing major policies concerning China's economic and social development;
- formulating the overall development plan for China's power industry;
- drafting and implementing electricity tariff policies and relevant laws, regulations, or rules on electricity tariff management;
- formulating electricity tariff adjustment policies and setting national electricity tariff adjustment plans;
- approving electricity tariffs for national major power projects;
- reviewing, filing and approving electricity investment projects according to the powers granted by law;
- promulgating regulations and rules in connection with the operation of power plants; and
- formulating the clean energy development plan, promoting the development of clean energy industry, and providing macro guidance on technological advancement and industrial modernisation.

The NEA and its local counterparts are mainly responsible for (amongst other functions):

- drafting legal regulations and rules for energy development and supervision, formulating and implementing energy development strategies, plans, and policies, advancing energy system reforms, proposing relevant reform plans, and coordinating major issues in energy development and reform;
- formulating industrial policies and standards for electricity, new energy and renewable energy;

- reviewing and approving energy fixed asset investment projects according to the powers granted by law;
- supervising the operations and legal compliance of the participants in the electricity market, regulating electricity market order, and supervising electricity tariffs;
- issuing and administering electric power business permits (电力业务许可证); and
- overseeing power safety production, formulating and implementing management methods for electricity operation, electricity construction project safety and quality supervision, and investigating and handling power production safety accidents according to the law.

The Ministry of Natural Resource and its local counterparts are responsible for ensuring electricity projects comply with relevant regulations on planning, administration, protection and reasonable utilisation of natural resources. The Ministry of Ecology and Environment is responsible for the supervision of environmental protection and monitoring of the PRC's environmental system at national level. The Ministry of Emergency Management is responsible for supervising work safety of power generation operations and project construction, and formulating various safety regulations. The Ministry of Commerce is responsible for formulating and implementing regulations in relation to foreign investment in China. STA and MOF are responsible for promulgating and implementing tax policies and regulations.

Overall Regulatory Scheme in the PRC Power Industry

The Energy Law of the PRC (《中华人民共和国能源法》) ("**Energy Law**"), which became effective on 1 January 2025, sets out the basic principles for the development and utilisation of energy in the PRC, which includes wind energy and solar energy. According to the Energy Law, the PRC promotes the development and utilisation of wind energy and solar energy, adhering to both centralised and distributed approaches. It accelerates the construction of wind power and PV power generation bases, supports the localised development and utilisation of distributed wind and solar power, rationally and orderly develops offshore wind power, and actively promotes the development of solar thermal power generation.

The regulatory framework of the PRC power industry is mainly set by the Electric Power Law of the PRC (《中华人民共和国电力法》) ("**Electric Power Law**"), which became effective on 1 April 1996 and was most recently amended on 29 December 2018, and the Regulations on Electric Power Supervision (《电力监管条例》) which became effective on 1 May 2005.

One of the stated purposes of the Electric Power Law is to protect the legitimate interests of investors, operators and users and to ensure the safety of power operations. The Electric Power Law regulates the power construction, generation, supply and consumption activities in the PRC, according to which the PRC government encourages domestic and foreign investment in the PRC power industry and encourages the use of renewable energy and clean energy for power generation. The Regulations on Electric Power Supervision set out various aspects for strengthening electric power supervision, regulating the electric power supervision behaviour of the regulatory authorities and improving the electric power supervisory system, including, among others, designation of regulatory authorities and their functions and the supervision measures to be taken by regulatory authorities, as well as legal liabilities arising from violations of regulatory provisions.

Electric Power Business Permit

Pursuant to the SERC's Provisions on the Administration of the Electric Power Business Permit (《电力业务许可证管理规定》) ("**Permit Provisions**") which became effective on 1 December 2005 and was most recently amended on 1 March 2024, the PRC power industry has adopted the market-access permit system. Pursuant to the Permit Provisions, unless otherwise provided by the SERC, no company or individual in the PRC may engage in any electric power business (including power generation, transmission, dispatch and sales) without obtaining an electric power business permit issued by the SERC.

Each applicant for electric power business permit under the Permit Provisions must comply with the following requirements:

- qualified legal personality;
- having the financial capability commensurate to the electric power business applied for;
- the persons in charge of each of production and operation, technology, safety and financial affairs having at least three (3) years of working experience related to the electric power business applied for, and having the intermediate or above professional and technical qualification or the certificate of qualified job training; and
- other requirements prescribed by the laws and regulations.

Each applicant for electric power business permit under the power generation category according to the Permit Provisions, must comply with the following requirements in addition to satisfying the above requirements:

- the construction of the power generation project has been approved or verified by competent authorities;
- the power generation facilities are capable of power generation and operation; and
- the power generation project is in compliance with the relevant environmental protection requirements and regulations.

The NEA promulgated the Notice on Implementing the Spirit of 'Streamlining Administration, Delegating Power, Strengthening Regulation, and Improving Services' and Optimising the Management of Power Business Licences (《国家能源局关于贯彻落实“放管服”改革精神优化电力业务许可管理有关事项的通知》) on 23 March 2020, according to which, except for exempted situations, power generation projects must obtain an electric power business licence within three (3) months after completing the trial operation (for wind power and PV projects, this must occur within six (6) months after grid connection). Before obtaining the electric power business licence within the stipulated time, power generation enterprises may temporarily not provide the licence when signing the "Grid Connection Dispatch Agreement" and "Power Purchase and Sale Contract" with the grid enterprise. If the electric power business licence is not obtained within the stipulated time, the relevant units shall not continue to generate and feed electricity into the grid.

Project Approvals

Pursuant to Management Measures for the Approval and Filing of Enterprise Investment Projects (《企业投资项目核准和备案管理办法》) implemented by the NDRC on 8 April 2017, the Notice of the State Council on Promulgating the Catalogue of Investment Projects Subject to Government Approval (2016 Version) (《国务院关于发布政府核准的投资项目目录(2016年本)》的通知), which became effective on 12 December 2016, and the Notice of NEA on Issuing the Interim Measure for the Development and Construction Management of Wind Power (《国家能源局关于印发<风电开发建设管理暂行办法>的通知》), which became effective on 25 August 2011, wind power projects must obtain government approvals and requisite permits before the commencement of the construction and shall be approved by local governments within the construction plans and annual development guidance scale set by the national government based on total capacity control.

Pursuant to Management Measures for the Approval and Filing of Enterprise Investment Projects (《企业投资项目核准和备案管理办法》) implemented by the NDRC on 8 April 2017 and the Notice of the NEA on Issuing the Management Measures for the Development and Construction of PV Power Plants (《国家能源局关于印发<光伏电站开发建设管理办法>的通知》), which became effective on 30 November 2022, PV power plant projects are subject to a filing system. Provinces (districts, municipalities) may formulate their own filing management measures for PV power plant projects, specifying the filing authorities and their powers, and make them public. Prior to the construction of a

solar power project, a power project construction entity must complete preparation work including site planning, resources analysis, construction condition analysis and market demand analysis. The power project construction entity may not change important items that are filed, such as investor, project site and construction scale, otherwise shall inform the filing authority to amend relevant items according to the changes.

Dispatch

According to the Electric Power Law, all electric power generated in China is dispatched through power grids, except for electric power generated by facilities not connected to any grid; the operation of the power grid follows the principles of unified dispatching and hierarchical management. The Regulations on the Administration of Electric Power Dispatch to Networks and Grids (《电网调度管理条例》) ("**Dispatch Regulations**"), which became effective on 1 November 1993 and was amended on 8 January 2011, primarily regulate the operations of dispatch institutions including dispatch system, dispatch plan, dispatch rule and dispatch order. Dispatch of power to each grid is administered by dispatch centers. Dispatch centers are responsible for the administration and dispatch of planned output of power plants connected to the grid. Between the power plants that require grid connection and the grid, as well as between different grids, a grid connection agreement shall be signed before the connection, and such agreement shall be strictly followed and implemented.

Pursuant to the Dispatch Regulations and the Implementation Measures for Regulations on the Administration of Electric Power Dispatch to Networks and Grids (《电网调度管理条例实施办法》) ("**Implementation Measures**"), which became effective on 11 October 1994, dispatch institutions are established at five (5) levels: (i) the national dispatch institution; (ii) the inter-provincial, inter-autonomous regional and inter-municipal dispatch institutions; (iii) the provincial-level, autonomous regional-level and municipal level dispatch institutions; (iv) the dispatch institutions of municipalities under provinces; and (v) the county level dispatch institutions. The Implementation Measures further provide for dispatch organisation and administration, dispatch plan administration and grid-connection administration.

Tariff Parity

On 7 January 2019, the NDRC and NEA jointly issued and implemented the Notice on Actively Promoting Subsidy-Free Tariff Parity for Wind and PV Power Generation (《国家发展改革委、国家能源局关于积极推进风电、光伏发电无补贴平价上网有关工作的通知》), according to which in regions with good resources, low construction costs and favourable investment and market conditions, wind and PV power plants are now essentially capable of achieving tariff parity with the benchmark tariffs for coal-fired power (without the need for national subsidies) due to the large-scale development of wind and PV power generation and rapid technological advancements. The notice outlines the supporting measures to advance tariff parity, such as (i) carrying out the construction of pilot projects for which the benchmark tariff or lower on-grid tariff apply (such projects are not subject to annual construction scale limits); (ii) ensuring priority dispatch and full guaranteed purchase of electricity; (iii) encouraging such projects to obtain reasonable revenue compensation through green certificate trading; and (iv) promoting the development of wind and PV power generation through market-based electricity trading without subsidies.

On 1 August 2021, the NDRC implemented the Notice on Matters Related to the 2021 Renewable Energy Tariff Policy (《国家发展改革委关于 2021 年新能源上网电价政策有关事项的通知》), according to which no central government subsidies will be provided for centralised PV power plants or onshore wind power projects that are filed or approved from 2021 onwards ("**New Projects**") and tariff parity shall apply to such New Projects. Tariff for such New Projects in 2021 shall be based on the local benchmark tariff for coal-fired power generation. New Projects may be subject to market-based trading on a voluntary basis to determine its tariff.

On 27 January 2025, the NDRC and the NEA jointly issued the Notice on Deepening the Market-oriented Reform of Electricity Prices for New Energy and Promoting the High-quality Development of New Energy (《国家发展改革委 国家能源局关于深化新能源上网电价市场化改革 促进新能源高质量发展的通知》), according to which the on-grid electricity generated by renewable energy projects, including wind and solar power projects, will in principle be fully integrated into the power market, with

electricity prices determined through market transactions; meanwhile, a price difference settlement mechanism will be established outside the market based on a mechanism electricity price ("**Mechanism Price**") and electricity purchase volume, among other things, determined by relevant government authorities. For existing projects that commenced operations prior to 1 June 2025, the Mechanism Price shall be implemented in accordance with the current pricing policies and shall not exceed the local coal-fired power benchmark price; for new projects that commenced operations after 1 June 2025, the Mechanism Price will be established through market-based competitive bidding.

Regulatory Scheme on Renewable Energy

Renewable Energy Laws and Regulations

In accordance with the Renewable Energy Law and the Guidance Catalogue on Renewable Energy Industrial Development (《可再生能源产业发展指导目录》) ("**Guidance Catalogue**") effective on 29 November 2005, wind power and solar power is classified as renewable energy. The Renewable Energy Law and Guidance Catalogue provide guidance on supporting and developing the renewable energy industry. The Renewable Energy Law introduces a full-guaranteed purchase system for renewable energy power generation and several financial incentives, such as national funding, preferential loans and preferential tax treatment for the development of renewable energy projects.

According to the Renewable Energy Law, the national energy authorities shall, in accordance with the national renewable energy development and utilisation plan, determine the proportion of renewable energy power generation to total power generation that should be achieved during the planning period. In addition, the NEA issued and implemented the Notice on Properly Managing New Energy Consumption and Ensuring the High-Quality Development of New Energy (《国家能源局关于做好新能源消纳工作 保障新能源高质量发展的通知》) on 28 May 2024, according to which new energy utilisation efficiency shall be optimised in the following manner: (i) provincial energy authorities shall set the new energy utilisation efficiency targets based on scientific analysis and sufficient considerations and coordination; in regions with favourable resources, the target shall not be lower than 90%; and (ii) provincial energy authorities shall determine the annual new energy development plan and supporting consumption plan based on their annual renewable energy consumption responsibility targets and new energy utilisation efficiency targets.

Guaranteed Purchase and Dispatch Priority

Guaranteed Purchase

The Renewable Energy Law requires grid companies to ensure full purchase of the on-grid electricity from renewable energy projects that meet the grid connection technical standards within the coverage of their grids, and to provide grid connection services and related technical support.

Pursuant to the Regulatory Measures for the Full Guaranteed Purchase of Renewable Energy Power Generation (《全额保障性收购可再生能源电量监管办法》) ("**Full Guaranteed Purchase Regulatory Measures**"), which was issued and implemented by the NDRC on 1 April 2024, full guaranteed purchase shall be applicable to the on-grid electricity of renewable energy power generation projects that at least (i) conform to the renewable energy development and utilisation plans (excluding biogas power generation); (ii) has obtained the necessary administrative approvals or has been filed as required by law; and (iii) meet the grid connection technical standards. Grid companies, power dispatching agencies, power trading organisations and other relevant entities should complete the full guaranteed purchase of renewable energy power generation within their respective capacities.

According to the Full Guaranteed Purchase Regulatory Measures and the Notice on Issuing the Management Measures for the Full Guaranteed Purchase of Renewable Energy Power Generation (《关于印发<可再生能源发电全额保障性收购管理办法>的通知》) ("**Full Guaranteed Purchase Management Measures**"), which was issued and implemented by the NDRC on 24 March 2016, the electricity generated by renewable energy projects for grid connection includes guaranteed purchase electricity and market-based trading electricity. Guaranteed purchase electricity refers to the amount of electricity that, according to the national renewable energy guaranteed consumption mechanism, proportion targets, and other relevant regulations, should be purchased by the relevant members of the

electricity market. The guaranteed purchase shall be ensured by prioritising the annual power generation plan and signing prioritised generation contracts with grid companies.

Minimum Guaranteed Annual Utilisation Hours

According to the Full Guaranteed Purchase Management Measures, the national energy authorities shall assess, publish and update the guaranteed annual utilisation hours of various renewable energy grid-connected power generation projects in regions where renewable energy power generation is limited. The guaranteed annual on-grid electricity purchase for renewable energy grid-connected projects will be determined based on these hours and their installed capacity. In areas where there is no limitation on the generation of renewable energy, grid companies should guarantee the full purchase of the power generated by renewable energy grid-connected power generation projects according to their own resources.

According to the NDRC and NEA's Joint Notice on Properly Managing the Full Guaranteed Purchase of Wind and Photovoltaic Power Generation (《国家发展和改革委员会、国家能源局关于做好风电、光伏发电全额保障性收购管理工作的通知》), which was issued and implemented by the NDRC and NEA on 27 May 2016, the guaranteed electricity purchase should be fully settled by the grid companies according to the minimum guaranteed annual utilisation hours. Any amount exceeding the minimum guaranteed annual utilisation hours should be purchased via market transactions, with wind power and PV power generation enterprises engaging in transactions with power sales companies or power users through market-based methods. The guaranteed electricity purchase is the minimum target; however, the provinces (regions, municipalities) are encouraged to propose and implement higher purchase targets. Except for resource reasons, provinces (regions, municipalities) that fail to meet the minimum guaranteed annual utilisation hours requirement shall not start new wind power or PV power station projects (including projects that are already included in plans or have been approved).

Dispatch Priority

On 2 August 2007, the State Council approved the Provisional Measures on the Dispatch of Energy Saving Power Generation (《节能发电调度办法(试行)》), aiming to optimise the efficient use of natural resources and encourage energy savings. Pursuant to this regulation, power generators may enjoy the highest dispatch priority if they use renewable energy including wind, solar and tidal power. According to the regulation, the dispatch priority of power generation units is determined in the following sequence:

(a) non-adjustable power generation units utilising renewable energy; (b) adjustable power generation units utilising renewable energy; (c) nuclear power generation units; (d) cogeneration units and resources comprehensive utilisation power generation units; (e) gas-fired power generation units; (f) other coal power generation units, including cogeneration units without heat load; and (g) oil-fired power generation units.

On-grid Tariff and Cost Sharing Program

The Renewable Energy Law and the Trial Measures on the Administration over the Pricing and Cost Allocation of Renewable Energy Power Generation (《可再生能源发电价格和费用分摊管理试行办法》) ("**Cost Allocation Measures**"), which was issued by the NDRC on 4 January 2006 set forth general policies for the pricing and cost allocation of feed-in power generated by wind, solar and other renewable energy. The Cost Allocation Measures set out that the portion of the FIT for renewable energy generation that exceeds the local benchmark for desulfurised coal-fired power units, as well as the connection costs for renewable energy power generation projects, shall be shared across the electricity sales volume of provincial-level and above power grids nationwide and would be addressed by collecting an electricity price surcharge from electricity users.

According to the Renewable Energy Law and the Notice on Issuing the Interim Measures for the Collection, Use, and Management of the Renewable Energy Development Fund (《关于印发<可再生能源发展基金征收使用管理暂行办法>的通知》) ("**Interim Measures for Renewable Energy Development Fund**"), which was implemented by the NDRC on 1 January 2012, the national government has established the Renewable Energy Development Fund, with funding sources including

special funds allocated in the national fiscal annual budget and the renewable energy electricity surcharge collected in accordance with the law. The Renewable Energy Development Fund is used to compensate for the difference in costs as specified above, among other things.

The tariff and subsidy policies for wind power and solar power stations have undergone three (3) phases since 2009 and 2013 respectively: (i) the FIT policies; (ii) the indicative price policies; until (iii) the subsidy-free tariff parity policies that are currently implemented. The Notice on Improving the Wind Power Feed-in Tariff Policy (《关于完善风力发电上网电价政策的通知》), which was implemented by the NDRC on 1 August 2009, divides the country into four (4) types of wind energy resource zones based on wind energy resource conditions and construction conditions, and regulates that the portion of the FIT for wind power projects that exceeds the local benchmark tariff for desulfurised coal-fired power units shall be addressed through the allocation of the renewable energy electricity surcharge collected nationwide; whereas according to the NDRC Notice on Improving the Onshore Wind Power and Photovoltaic Feed-in Tariff Policy (《国家发展改革委关于完善陆上风电光伏发电上网标杆电价政策的通知》), which was implemented on 1 January 2016, the same shall be subsidised by the Renewable Energy Development Fund. Pursuant to the Notice on Utilising Price Leverage to Promote the Healthy Development of the Photovoltaic Industry (《关于发挥价格杠杆作用促进光伏产业健康发展的通知》), which was implemented by the NDRC on 26 August 2013, the portion of the FIT for PV power plants that exceeds the local benchmark tariff for coal-fired power units (including the desulfurisation and other environmental protection tariffs) will be subsidised through the Renewable Energy Development Fund. PV power generation projects will apply the FIT or the electricity price subsidy standard from the time they start operation, with a term generally lasting 20 years. It also divides the country into three (3) types of solar resource zones based on regional differences in solar resources and construction costs, with different FITs for PV power plants assigned to each resource zone.

The NDRC Notice on Improving the Policies for On-Grid Tariffs of Wind Power (《国家发展改革委关于完善风电上网电价政策的通知》) and the NDRC Notice on Issues Related to Improving the Mechanism for On-Grid Tariffs of Photovoltaic Power (《国家发展改革委关于完善光伏发电上网电价机制有关问题的通知》), which were both issued on 1 July 2019, adopted the mechanism of a indicative price for electricity generated by onshore wind power plants and centralised PV power plants, which replaced the mechanism of a benchmark tariff. For newly approved or filed wind power and PV power projects, the on-grid tariff shall be determined through market competition and shall not exceed the indicative price for the resource zone where the project is located. The portion of the price determined through market competition that is within the local coal-fired power unit's benchmark tariff will be settled by the local provincial grid; the portion exceeding this price will be subsidised by the Renewable Energy Development Fund.

Subsidy Distribution

Renewable Energy Subsidy Catalogue

The rules for determining the eligibility and standards for subsidy for renewable energy projects were set forth in the Provisional Measures for Administration of Additional Funds for Renewable Energy Power Prices (《可再生能源电价附加补助资金管理暂行办法》) ("**Provisional Measures for Additional Funds**") that had been effective since 14 March 2012 until the implementation of the Several Opinions on Renewable Energy Generation. The Provisional Measures for Additional Funds provided that renewable energy power generation projects that apply for subsidies must meet the following conditions: (i) the project falls within the scope of subsidies as specified in the Interim Measures for Renewable Energy Development Fund; (ii) the project has completed the approval, authorisation, or filing process in accordance with national regulations and has been reviewed and confirmed by the NEA; and (iii) the project complies with the national renewable energy pricing policy, and the FIT has been reviewed and approved by the relevant pricing authority. The projects that met the conditions and passed the review of the MOF, NDRC and NEA would be listed in the Renewable Energy Subsidy Catalogue. From 2012 to 2018, seven (7) batches of Renewable Energy Subsidy Catalogue were issued.

Renewable Energy Subsidy List

Several Opinions on Promoting the Healthy Development of Non-Hydropower Renewable Energy Generation (《关于促进非水可再生能源发电健康发展的若干意见》) ("Several Opinions on Renewable Energy Generation"), which were jointly issued and implemented by the MOF, NDRC and NEA on 20 January 2020, simplifies the Renewable Energy Subsidy Catalogue management system, according to which the government will no longer publish the Renewable Energy Subsidy Catalogue and all renewable energy projects must submit electricity surcharge application information through the national renewable energy information management platform. Grid companies will determine and regularly publish the Renewable Energy Subsidy List considering project type, grid connection time, and technological level, etc. Projects listed in the Renewable Energy Subsidy Catalogue will directly be included in the grid companies' Renewable Energy Subsidy List.

The Notice on Issuing the Measures for Administration of Additional Funds for Renewable Energy Power Prices (《关于印发<可再生能源电价附加资金管理办法>的通知》), which were jointly issued and implemented by MOF, NDRC and NEA on 20 January 2020 provides that renewable energy power generation projects that apply to be listed in the Renewable Energy Subsidy List must meet the following conditions: (i) new projects must be included within the total subsidy amount for renewable energy power generation in the current year; existing projects must meet the requirements of the national energy authorities and, for those subject to scale management, must fall within the annual construction scale management scope; (ii) the project must have completed approval, authorisation, or filing in accordance with national regulations; it must comply with national renewable energy pricing policies, and the grid-connected electricity price must have been reviewed and approved by the price authorities; (iii) all units must meet the grid connection timeline required for subsidy eligibility; and (iv) relevant approval, authorisation, filing, and grid connection requirements must be approved through the national renewable energy information management platform.

Reasonable Utilisation Hours

Several Opinions on Renewable Energy Generation provided that renewable energy power generation projects that have been approved (filed), with all units connected to the grid, and have been reviewed and included in the Renewable Energy Subsidy Catalogue, will have their central government subsidies determined based on reasonable utilisation hours. On 20 January 2020, the Supplementary Notice on Matters Related to the Several Opinions on Renewable Energy Generation (《关于<关于促进非水可再生能源发电健康发展的若干意见>有关事项的补充通知》) were jointly issued and implemented by the MOF, NDRC and NEA, which provides the reasonable utilisation hours for each of the four (4) types of wind energy resource zones and three (3) types of solar resource zones. The subsidised electricity for the entire project lifecycle shall be determined by the reasonable utilisation hours multiplied by the project capacity.

Compliance List

On 24 March 2022, the NDRC, MOF and NEA jointly issued the Notice on Carrying Out Self-Inspection of Renewable Energy Power Generation Subsidies (《国家发展改革委办公厅 财政部办公厅 国家能源局综合司关于开展可再生能源发电补贴自查工作的通知》), which outlines a nationwide initiative for the grid companies and power generation companies to conduct a self-inspection on renewable generation subsidies within time limits. The process will involve a combination of enterprise self-checks, on-site inspections, and targeted supervision. The goal is to comprehensively assess and verify the subsidies for renewable energy generation projects, as well as to strengthen measures against fraudulent claims for subsidies. Key areas of self-check include project compliance, project scale, electricity generation, tariffs, subsidies and environmental protection. Following this notice, grid companies have published compliance lists under the powers delegated by the NDRC, MOF and NEA to confirm the power generation projects included in the Compliance List for their compliance with law and the legitimacy of their eligibility for subsidies.

Green Certificate

On 25 July 2023, the NDRC, MOF and NEA jointly issued and implemented the Notice on Promoting the Full Coverage of Renewable Energy Green Power Certificates and Facilitating the Consumption of Renewable Energy Power (《国家发展改革委 财政部 国家能源局关于做好可再生能源绿色电力证书全覆盖工作促进可再生能源电力消费的通知》), which intends to further improve the renewable energy

green power certificate ("**Green Certificate**") system and achieve the full coverable of Green Certificates for renewable energy electricity. On 26 August 2024, the NEA issued and implemented the Notice on the Issuance and Trading Rules for Renewable Energy Green Power Certificates (《国家能源局关于印发<可再生能源绿色电力证书核发和交易规则>的通知》) to further regulate the issuance and trading of Green Certificates. According to the notices, a Green Certificate is the only proof of the environmental attributes of renewable energy electricity in China, and it is the only credential for identifying the production and consumption of renewable energy electricity. The state issues Green Certificates for renewable energy electricity that meets the required conditions, with one (1) Green Certificate corresponding to 1,000 kilowatt-hours of renewable energy electricity. For the grid-connected electricity of centralised wind power generation (including offshore wind power generation) and centralised solar power generation (including solar thermal power generation) projects, tradable Green Certificates will be issued. For parity (or lower-price) projects, the method of Green Certificate trading is not restricted, and the revenue from Green Certificates belongs to the power generation enterprise or project owner.

Environmental Regulations

We are subject to a variety of laws and governmental regulations related to the emissions of water, air, sound, and solid waste pollutants, the storage, use and disposal of hazardous materials, and the control of electromagnetic environment. The major environmental regulations applicable to the Company and its PRC subsidiaries include the Environmental Protection Law of the PRC (《中华人民共和国环境保护法》), the Law of the PRC on the Prevention and Control of Water Pollution (《中华人民共和国水污染防治法》), the Law of the PRC on the Prevention and Control of Air Pollution (《中华人民共和国大气污染防治法》), the Law of the PRC on the Prevention and Control of Solid Waste Pollution (《中华人民共和国固体废物污染环境防治法》), the Law of the PRC on the Prevention and Control of Noise Pollution (《中华人民共和国环境噪声污染防治法》), the Law of the PRC on Appraising Environment Impacts (《中华人民共和国环境影响评价法》), the Interim Measures for the Filing and Management of Emergency Response Plans for Environmental Emergencies in Enterprises and Public Institutions (《企业事业单位突发环境事件应急预案备案管理办法(试行)》), Administrative Regulation on the Safety of Hazardous Chemicals (《危险化学品安全管理条例》), the Environmental Protection Tax Law of the PRC (《中华人民共和国环境保护税法》), the Regulation on the Implementation of the Environmental Protection Tax Law of the PRC (《中华人民共和国环境保护税法实施条例》), the Regulations on the Administration of Construction Project Environmental Protection (《建设项目环境保护管理条例》), the Interim Measures for the Environmental Protection Acceptance of Construction Projects upon Completion (《建设项目竣工环境保护验收暂行办法》), and the Interim Measures for Administration of Construction Land and Environmental Protection for Wind Farms (《风电场工程建设用地和环境保护管理暂行办法》).

According to the laws and regulations above, the construction of all power plants is subject to environmental impact assessment ("**EIA**") procedures, the form of which varies depending on the environmental impact of different types of power plants. After completion of the construction and before the commencement of its commercial operation, a power plant must go through the environmental protection inspection upon construction completion and satisfy the specific environmental protection requirements formulated by the environmental authorities.

Production Safety

The Production Safety Law of the PRC (《中华人民共和国安全生产法》) ("**Production Safety Law**"), which became effective on 1 November 2002 (amended on 31 August 2014 and 10 June 2021), is the principal legislation on supervision and administration of production safety in the PRC. The Measures for the Supervision and Administration of Production Safety of Power Industry (《电力安全生产监督管理办法》), which became effective on 1 March 2015, regulate the safe production of power. The NEA is responsible for the supervision and administration of power production safety.

Tax Preference

The Guidance Catalogue sets out 88 renewable energy development and utilisation projects as well as system equipment and equipment manufacturing projects covering six (6) fields including wind energy and solar energy. Those that are suitable for large-scale development and utilisation preferential tax treatment may be formulated by relevant government and apply.

Enterprise Income Tax

Pursuant to the Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled to Preferential Tax Treatment (《关于执行公共基础设施项目企业所得税优惠目录有关问题的通知》), jointly promulgated by MOF and STA on 23 September 2008, with respect to the investment and operating income of any enterprise that engages in any public infrastructure project under the Catalogue of Corporate Income Tax Preferential Incentives for Public Infrastructure Projects (《公共基础设施项目企业所得税优惠目录》) effective from 1 January 2008 and complies with the relevant requirements, technical standards and state regulations on investment management, the corporate income tax will be exempted for the first three (3) years starting from the tax year in which the project generates operating income, and a 50% reduction will apply to the period from the fourth (4th) to the sixth (6th) year.

According to “Notice of the Ministry of Finance and the State Administration of Taxation on Issues Relating to the Implementation of the Preferential Catalogue of Enterprise Income Tax for Public Infrastructure Projects(《关于执行公共基础设施项目企业所得税优惠目录有关问题的通知》)” and “Notice of the State Administration of Taxation on the Implementation of Preferential Issues of Enterprise Income Tax for Public Infrastructure Projects Supported by State Priorities(《关于实施国家重点扶持的公共基础设施项目企业所得税优惠问题的通知》)”, starting from the taxable year in which the first production and operation income is derived, , the first (1st) to third (3rd) years will be exempted from the corporate income tax, and the fourth (4th) to sixth (6th) years are subject to a 50% reduction in corporate income tax.

REGULATIONS ON ENVIRONMENT PROTECTION AND PRODUCTION SAFETY

Environmental Protection Law

Pursuant to the Environmental Protection Law promulgated by the SCNPC on 26 December 1989, amended on 24 April 2014 and became effective on 1 January 2015, the pollution control facilities in construction projects must be designed, constructed, and put into operation simultaneously with the main project. These pollution control facilities must meet the requirements of the approved EIA documents and cannot be dismantled or left idle without authorisation. Any entity which discharges pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gases, wastewater, solid waste, medical waste, dust, malodorous gases, radioactive substances, and noise, vibration, light radiation, electromagnetic radiation, and other hazards produced during such activities.

The Ministry of Ecology and Environment of the PRC (中华人民共和国生态环境部) and its local counterparts impose various administrative penalties on individuals or entities in violation of the Environmental Protection Law. Such penalties include warnings, fines, orders to rectify within the prescribed period, orders to cease construction, orders to restrict or suspend production, orders to make recovery, orders to disclose relevant information or make an announcement, imposition of administrative action against relevant responsible persons, and orders to shut down enterprises. Any individual or entity that pollutes the environment resulting in damage could also be held liable under the PRC Civil Code (《中华人民共和国民法典》). Environmental organisations may also bring lawsuits against any entity that discharges pollutants detrimental to the public welfare. Where any violation of the provisions of the Environmental Protection Law constitutes a crime, criminal liabilities shall be investigated in accordance with the PRC Criminal Law (《中华人民共和国刑法》).

Laws on Environment Impact Assessment

The Law of the People's Republic of China on Environment Impact Assessment (《中华人民共和国环境影响评价法》), which was issued on 28 October 2002 and most recently amended on 29 December

2018, implements a mechanism of EIA to classify construction projects according to their impact on the environment. Constructing entities shall prepare an environmental impact report, or an EIR, or an environmental impact statement, or an EIS, or fill out the environmental impact registration form, or the EIRF, according to the following rules: (i) for projects with potentially serious environmental impacts, an EIR shall be prepared to provide a comprehensive assessment of their environmental impacts; (ii) for projects with potentially mild environmental impacts, an EIS shall be prepared to provide an analysis or specialised assessment of the environmental impacts; and (iii) for projects with minimal environmental impacts, an EIS is not required but an EIRF shall be completed.

Regulations on Production Safety

Pursuant to the Production Safety Law, production and operation entities should strengthen safety management, establish a safety responsibility system for all employees and formulate safety production regulations, increase investment in safety production funds, materials, technology, and personnel, improve safe production conditions, strengthen the standardisation and informatisation of safe production, build a dual prevention mechanism for graded safety risk control and hazard investigation, improve mechanisms for risk prevention and resolution, enhance the level of safety production, and ensure safe production. The Ministry of Emergency Management of the PRC (中华人民共和国应急管理部) and its local counterparts impose various administrative penalties on individuals or entities in violation of the Production Safety Law. Where any violation of the provisions of the Production Safety Law constitutes a crime, criminal liabilities shall be investigated in accordance with the PRC Criminal Law (《中华人民共和国刑法》).

REGULATIONS ON FOREIGN INVESTMENT IN THE PRC

Company Law

The establishment, operation and management of companies are subject to the Company Law of the PRC (《中华人民共和国公司法》) (the "**PRC Company Law**"), which was promulgated by the SCNPC on 29 December 1993, and most recently amended on 29 December 2023 and became effective on 1 July 2024. According to PRC Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The PRC Company Law applies to both PRC domestic companies and foreign-invested companies.

Foreign Investment Law

On 15 March 2019, the SCNPC approved the Foreign Investment Law of the PRC (《中华人民共和国外商投资法》), and on 26 December 2019, the State Council promulgated the Implementing Rules of the Foreign Investment Law (《中华人民共和国外商投资法实施条例》). The Foreign Investment Law and the Implementing Rules both took effect on 1 January 2020 and replaced three (3) previous major laws on foreign investments in China, namely the Sino-foreign Equity Joint Venture Law (《中华人民共和国中外合资经营企业法》), the Sino-foreign Cooperative Joint Venture Law (《中华人民共和国中外合作经营企业法》) and the Wholly Foreign-owned Enterprise Law (《中华人民共和国外资企业法》), together with their respective implementing rules.

Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organisations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors; (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC; (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors; and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The Implementing Rules of the Foreign Investment Law introduce a see-through principle and provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and the Implementing Rules. Pursuant to the Measures for the Reporting of Foreign Investment Information (《外商投资信息报告办法》), which was promulgated by the MOFCOM and SAMR on 30 December 2019 and came into effect on 1 January

2020, where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign-invested companies shall report investment information to commerce departments.

According to the Foreign Investment Law, the PRC implements a system of pre-establishment national treatment and negative list for foreign investment. The foreign investment negative list ("**Negative List**") specifies fields where investment is prohibited, and foreign investors are not allowed to invest in these areas. In fields where investment is restricted according to the Negative List, foreign investors must comply with the conditions specified in the list when making investments. In areas outside the foreign investment Negative List, management is implemented in accordance with the principle of equal treatment for both domestic and foreign investments. According to the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024) (《外商投资准入特别管理措施(负面清单)(2024年版)》), which was promulgated by the MOFCOM and NDRC on 6 September 2024 and became effective on 1 November 2024, the construction and operation of wind power projects or solar power plants are not included in the Negative List, and shall thus be regulated according to the principle of equal treatment of domestic and foreign investments.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Trademark Law

Registered trademarks are protected under the Trademark Law of the PRC (《中华人民共和国商标法》), which was promulgated by the SCNPC on 23 August 1982 and most recently amended and became effective in 2019, and its Implementing Rules (《中华人民共和国商标法实施条例》), which was promulgated by the State Council in 2002 and recently amended in 2014, according to which trademark registrations are effective for 10 years and may be renewed for consecutive 10-year periods upon request by the trademark owner, unless otherwise revoked. According to the laws and regulations above, trademarks are registered with the Trademark Office of State Intellectual Property Office.

Patent Law

The Patent Law of the PRC (《中华人民共和国专利法》), which was promulgated by the SCNPC on 12 March 1984, and most recently amended on 17 October 2020 and became effective on 1 June 2021, and its Implementing Rules (《中华人民共和国专利法实施细则》), which was promulgated by the China Patent Office on 19 January 1985, and most recently amended by the State Council on 11 December 2023 and became effective on 20 January 2024, provide for three (3) types of patents: "invention," "utility model" and "design." "Invention" refers to any new technical solution in relation to a product, or a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; "design" refers to a new design that is aesthetic and suitable for industrial application for the overall or partial shape, pattern or its combination of products, as well as the combination of colour, shape and pattern. The validity period of patent for an "invention" is 20 years, while the validity period of patent for a "utility model" is 10 years and that of a "design" is 15 years, from the date of application. According to the laws and regulations above, the State Intellectual Property Office is responsible for administering patent law in the PRC; the patent administration departments of provincial, autonomous regions or municipal governments are responsible for administering patent law within their respective jurisdictions.

Regulations on Copyright

The Copyright Law of the PRC (《中华人民共和国著作权法》) (the "**Copyright Law**"), which was promulgated by the SCNPC on 1 June 1991, and was most recently amended on 11 November 2020 and became effective on 1 June 2021, and its Implementing Rules (《中华人民共和国著作权法实施条例》), which was promulgated by the State Council in August 2002 and most recently amended and implemented in January 2013, provides that Chinese citizens, legal persons, or other organisations shall, whether published or not, own copyright in their copyrightable works, which include, among others, works of literature, art, engineering technology and computer software. Copyright owners enjoy certain legal rights, including right of publication, right of authorship and right of reproduction. In addition, the Copyright Law provides for a voluntary registration system administered by the China Copyright Protection Centre. Unless otherwise provided in the Copyright Law and other related system, laws and

regulations, reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein shall constitute infringements of copyrights. According to the Copyright Law, an infringer of the copyrights shall be subject to various civil liabilities, which include ceasing infringement activities, apologising to the copyright owners and compensating for the loss of the copyright owner. Infringers of a copyright may also be subject to fines and/or administrative or criminal liabilities in severe cases of infringement.

The Copyright Law extends copyright protection to Internet activities, products disseminated over the Internet and software products. Pursuant to the Computer Software Copyright Protection Regulations (《计算机软件保护条例》) promulgated by the State Council in June 1991 and most recently amended in January 2013, the software copyright owner may go through the registration formalities with the China Copyright Protection Centre. The software copyright owner may authorise others to exercise that copyright and is entitled to receive payment.

Regulations on Domain Names

The MIIT promulgated the Measures on Administration of Internet Domain Names (《互联网域名管理办法》) (the "**Domain Name Measures**") on 24 August 2017, which took effect on 1 November 2017. Pursuant to the Domain Name Measures, the MIIT oversees the administration of PRC internet domain names. The domain name registration follows a first-to-file principle. Applicants for registration of domain names must provide the true, accurate, and complete information of their identities to domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

REGULATIONS ON TAXATION

Enterprise Income Tax

Pursuant to the EIT Law and the EIT Implementation Regulations, both resident enterprises and non-resident enterprises are subject to EIT in the PRC, regulated by the STA and its local counterparts. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within the PRC. Non-resident enterprises are defined as enterprises that are organised under the laws of foreign countries and whose actual management is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Law and the EIT Implementation Regulations, a uniform corporate income tax rate of 25% is applied. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, enterprise income tax is set at the rate of 10% with respect to their income sourced from the PRC.

Value-added Tax

Pursuant to the Provisional Regulations on Value-Added Tax of the PRC (《中华人民共和国增值税暂行条例》), which was promulgated by the State Council on 13 December 1993, most recently amended on 19 November 2017 and effective on the same date, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中华人民共和国增值税暂行条例实施细则》), which was promulgated by the MOF on 25 December 1993 most recently amended on 28 October 2011, and effective on 1 November 2011, all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay VAT. On 25 December 2024, the SCNPC promulgated the Value-Added Tax Law of the People's Republic of China (《中华人民共和国增值税法》), which will become effective on 1 January 2026 and the above provisional regulations will be abolished. On 20 March 2019, the MOF, the STA and the General Administration of Customs jointly issued the Announcement on Relevant Policies on Deepening of the Reform of Value-added Tax (《关于深化增值税改革有关政策的公告》), according to which the VAT tax rates are adjusted to 13%, 9%, 6% and 0% respectively. Regarding the business scope of the PRC

Principal Subsidiaries, the VAT tax rates applicable to electricity and consulting services are 13% and 6% respectively.

According to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (《关于全面推开营业税改征增值税试点的通知》), promulgated by the MOF and the SAT on 23 March 2016, effective on 1 May 2016, and amended on 11 July 2017, 25 December 2017 and 20 March 2019, with the approval of the State Council, as of 1 May 2016, the pilot program of replacing business tax with VAT shall be implemented across the country, all business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry shall be included in the scope of the pilot program, and the payment of business tax shall be replaced by the payment of VAT.

Dividend Withholding Tax

The EIT Law and the EIT Implementation Regulations provide that an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors that do not have an establishment or place of business in the PRC, or that have such an establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Singapore, Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《关于执行税收协定股息条款有关问题的通知》), issued on 20 February 2009 by the STA, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the Notice of the STA on Several Questions regarding the "Beneficial Owner" in Tax Treaties (《国家税务总局关于税收协定中“受益所有人”有关问题的公告》), which was issued on 3 February 2018 and became effect on 1 April 2018, when determining the applicant's status as the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including, without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the substantial business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant any tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and such factors will be analysed according to the actual circumstances of the specific cases.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Labour Law and Labour Contract Law

According to the Labor Law of the PRC (《中华人民共和国劳动法》) ("**Labour Law**") promulgated on 5 July 1994 and amended on 27 August 2009 and 29 December 2018, enterprises shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, and conduct employee training on labour safety and sanitation in the PRC. Labour safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe workplace and sanitation conditions which are in compliance with applicable laws and regulations of labour protection. The labour safety and health facilities for new,

renovated, or expanded construction projects must be designed, constructed, and put into production and use simultaneously with the main project. Employers must provide workers with labour safety and health conditions and necessary protective equipment that comply with national regulations. For workers engaged in occupations with occupational hazards, employers are required to conduct regular health checks.

The Labor Contract Law of the PRC (《中华人民共和国合同法》) ("**Labour Contract Law**") promulgated on 29 June 2007 and amended on 28 December 2012, and the Implementation Rules of the Labor Contract Law of the PRC (《中华人民共和国合同法实施条例》) promulgated on 18 September 2008, regulates the rights and obligations of employer and employee relationships, including the establishment, performance, and termination of labour contracts. Pursuant to the Labour Law and Labour Contract Law, labour issues shall be regulated and administered by the Ministry of Human Resources and Social Security and its local counterparts. Pursuant to the Labour Contract Law, labour contracts shall be concluded in writing if labour relationships are to be or have been established between employers and employees. If an employee is a part-time labour, which is a form of labour for which the remuneration is mainly calculated on an hourly basis, the employee's average daily working hours shall not exceed four (4) hours and the aggregate working hours per week shall not exceed 24 hours for the same employer. Both parties to part-time labour may conclude an oral agreement. Either party to part-time labour may notify the other party at any time to terminate employment. Upon termination of employment, the employer will not have to pay severance pay to the employee.

Employers are prohibited from forcing employees to work above certain time limits and employers shall pay employees for overtime work in accordance with national regulations. In addition, employee wages shall be no lower than local standards on minimum wages and must be paid to employees in a timely manner. In addition, at the time of hiring, the employers shall truthfully inform the employees of the scope of work, working conditions, workplace, occupational hazards, work safety, salary and other matters which the employees request to be informed about.

Social Insurance and Housing Fund

The Social Insurance Law established the social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社会保险费征缴暂行条例》) promulgated by the State Council on 22 January 1999 and most recently amended on 24 March 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one (1) to three (3) times the amount overdue.

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公积金管理条例》) which was promulgated by the State Council on 3 April 1999 and most recently amended on 24 March 2019, enterprises must register at the designated administrative centres and open bank accounts for depositing employees' housing provident funds. Employers and employees are required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time.

Employee Stock Incentive Plan

Pursuant to the Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company (《国家外汇管理局关于境内个人参与境外上市公司股权激励计划外汇管理有关问题的通知》), which was issued by the SAFE on 15 February 2012, employees, directors, supervisors, and other senior management who participate in any stock incentive plan of a publicly-listed overseas company and who are PRC individuals or non-PRC individuals residing in China for a continuous period of no less than one (1) year, subject to a few

exceptions, are required to register with the SAFE through a qualified domestic agent, which may be a PRC subsidiary of such overseas listed company, and complete certain other procedures.

In addition, the STA has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock options or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC governmental authorities.

REGULATIONS ON M&A AND OVERSEAS LISTING IN THE PRC

On 8 August 2006, six (6) PRC governmental and regulatory agencies, including the MOFCOM and the CSRC, promulgated the M&A Rules, governing the mergers and acquisitions of domestic enterprises by foreign investors, which was revised on 22 June 2009. The M&A Rules, among other things, require that if an overseas company established or controlled by PRC Citizens intends to acquire equity interests or assets of any other PRC domestic company affiliated with the PRC Citizens, such acquisition must be submitted to the Ministry of Commerce for approval. The M&A Rules also require that an offshore special vehicle, or a special purpose vehicle formed for overseas listing purposes and controlled directly or indirectly by the PRC companies or individuals, shall obtain the approval of the CSRC prior to overseas listing and trading of such special purpose vehicle's securities on an overseas stock exchange.

On 6 July 2021, the General Office of the State Council and the Central Committee jointly issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《关于依法严厉打击证券违法活动的意见》). The opinions emphasised the need to strengthen the administration over illegal securities activities and the supervision of overseas listings by PRC-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by PRC-based overseas-listed companies.

On 17 February 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境内企业境外发行证券和上市管理试行办法》) (the "**PRC Overseas Listing Regulations**"), and five (5) supporting guidelines, which became effective on 31 March 2023. Pursuant to the PRC Overseas Listing Regulations, companies in the PRC that directly or indirectly offer or list their securities on an overseas market, including a company incorporated in the PRC and an offshore company whose main business operations are in the PRC and intends to offer shares or be listed in an overseas market based on its equities, assets or similar interests in the PRC are required to file with the CSRC within three (3) business days after submitting their listing application documents to the regulator in the place of intended listing. Failure to complete the filing under the PRC Overseas Listing Regulations or conceals any material fact or falsifies any major content in its filing documents may subject the company to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, direct officers-in-charge and other direct personnel-in-charge may also be subject to administrative penalties, such as warnings and fines. The PRC Overseas Listing Regulations also provide that (i) a company in the PRC must file with the CSRC within three (3) business days for its follow on offering of securities after it is listed in an overseas market; and (ii) a company in the PRC that have been listed on an overseas market and intend to offer or list its securities on another overseas market must file with the CSRC within three (3) business days after submitting its listing application documents to the regulator in the place of intended listing.

In addition, pursuant to the PRC Overseas Listing Regulations, enterprises in the PRC are prohibited from overseas offering and listing under any of the following circumstances, if (i) the overseas offering and listing is explicitly prohibited by PRC laws; (ii) the overseas offering and listing may constitute a threat to or endanger national security as determined by the relevant PRC authorities; (iii) the domestic enterprises and their controlling shareholders and actual controllers have committed certain criminal offenses (such as corruption, bribery, embezzlement, misappropriation of property or other criminal offenses undermining the order of the socialist market economy) in the past three (3) years; (iv) the domestic enterprises are currently under investigations in connection with suspicion of having committed criminal offences or material violations of applicable laws and regulations and there is still

no explicit conclusion; or (v) there are material ownership disputes over the shareholdings held by the controlling shareholder or the shareholder under the control of the controlling shareholder or the actual controllers.

On 24 February 2023, the CSRC, jointly with other relevant governmental authorities, issued the Provisions on Strengthening the Confidentiality and Archives Administration Relating to the Overseas Securities Offering and Listing by Domestic Companies(《关于加强境内企业境外发行证券和上市相关保密和档案管理工作的规定》)(**"Confidentiality Provisions"**) which took effect on 31 March 2023, and pursuant to which companies based in the PRC that offer and list securities in overseas markets shall establish confidentiality and archives system. The companies based in the PRC shall obtain approval from the relevant authorities and file with the confidential administration department at the same level when providing or publicly disclosing documents and materials related to state secrets or secrets of the government authorities to the relevant securities companies, securities service agencies or the offshore regulatory authorities, or providing or publicly disclosing such documents and materials through its offshore listing entity.

Under the Confidentiality Provisions, the companies based in the PRC should complete corresponding procedures when (i) providing or publicly disclosing documents and materials which may adversely affect national security and public interest to the relevant securities companies, securities service agencies or the offshore regulatory authorities; (ii) providing or publicly disclosing such documents and materials through its offshore listing entity; or (iii) providing accounting files or copies to relevant security companies, security service institutions, overseas regulators and individuals. The companies based in the PRC are also required to provide written statements on the implementation of the aforementioned rules to the relevant securities companies and securities service agencies. If a company based in the PRC finds that the documents and materials related to state secrets or secrets of the government authorities or other materials which may adversely affect national security and public interest have been leaked or are going to be leaked, it should take remedial measures immediately and report to the relevant authorities.

REGULATIONS ON FOREIGN EXCHANGE

General Principles of Foreign Exchange

Under the Regulations on the Administrative Regulations on Foreign Exchange of the PRC (《中华人民共和国外汇管理条例》)(**"Foreign Exchange Regulations"**) promulgated on 29 January 1996 and most recently amended on 5 August 2008 and various regulations issued by the SAFE and other relevant PRC government authorities, Renminbi is convertible into other currencies for current account items, such as trade and service-related foreign exchange transactions and dividend payments. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC of capital account items, such as direct equity investments, loans or investment in securities outside China, requires the prior approval from the SAFE or its local office. Under the Foreign Exchange Regulations, payments for transactions that take place within the PRC must be made in RMB. Foreign currency revenues received by PRC companies may be repatriated into the PRC or retained outside of the PRC in accordance with requirements and terms specified by SAFE.

Pursuant to the SAFE Circular 59, effective from 17 December 2012, approval of SAFE is not required for (i) opening a foreign exchange account and depositing foreign exchange into the accounts relating to the direct investments; (ii) reinvestment of foreign investors' lawful income within China; and (iii) foreign exchange purchases and outbound payments related to foreign direct investment matters, and the banks shall review and handle relevant matters based on the relevant business system registration information from SAFE. The SAFE Circular 59 also simplified foreign exchange-related registration required for the foreign investors to acquire the equity interests of Chinese companies and further improved the administration on foreign exchange settlement for foreign-invested enterprises.

Under the SAFE Circular on Issuing the Regulations on Foreign Investors' Direct Investment in China and Related Documents, which was implemented on 13 May 2013 and most recently amended on 10 October 2018, foreign-invested enterprises must complete the registration with the SAFE if there are subsequent capital changes such as capital increases, reductions, or equity transfers. If funds need to be remitted overseas due to capital reductions, liquidation, repatriation of investments, profit distribution,

or other reasons, the foreign-invested enterprises may apply to the bank for foreign exchange purchase and outward remittance after completing the relevant registration.

The SAFE Circular 13, effective from 1 June 2015, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, the investors shall register with qualified banks for direct domestic investment and direct overseas investment; the bank will directly review and handle foreign exchange registration for direct domestic investment and direct overseas investment in accordance with relevant laws and regulations. SAFE and its local branches will exercise indirect supervision over direct investment foreign exchange registration through the banks.

Pursuant to SAFE Circular 13 and other laws, regulations, and guidance relating to foreign exchange, when setting up a new foreign-invested enterprise, the foreign-invested enterprise shall register with the bank located at its registered place after obtaining the business licence, and if there is any change in capital or other changes relating to the basic information of the foreign-invested enterprise, including, without limitation, any increase in its registered capital or total investment, the foreign-invested enterprise must register such changes with the bank located at its registered place. Based on the foregoing, if we intend to provide funding to our wholly foreign-owned subsidiaries through capital injection at or after their establishment, we must register the establishment of and any follow-on capital increase in our wholly foreign-owned subsidiaries with the local banks for the foreign exchange related matters.

The SAFE Circular 19, which was promulgated on 30 March 2015 and most recently amended on 23 March 2023, provides that a foreign-invested enterprise may, according to its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange administration has confirmed monetary capital contribution rights and interests (or for which the bank has registered the injection of the monetary capital contribution into the account). Pursuant to SAFE Circular 19, for the time being, foreign-invested enterprises are allowed to settle 100% of their foreign exchange capital on a discretionary basis; a foreign-invested enterprise shall truthfully use its capital for its own operational purposes within the scope of business. Where an ordinary foreign-invested enterprise makes domestic equity investment with the amount of foreign exchanges settled, the foreign-invested enterprise must first go through domestic re-investment registration and open a corresponding account for foreign exchange settlement pending payment with the foreign exchange administration or the bank at the place where it is registered.

Under SAFE Circular 19, the capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes: (i) directly or indirectly used for payments beyond the business scope of the enterprises or payments as prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities unless otherwise provided by the relevant laws and regulations; (iii) directly or indirectly used for granting entrust loans in Renminbi (unless permitted by the scope of business), repaying inter-enterprise borrowings (including advances by the third-party) or repaying the bank loans in Renminbi that have been sub-lent to third parties; or (iv) directly or indirectly used for expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

The SAFE Circular 16, which was promulgated on 9 June 2016 and most recently amended on 4 December 2023, provides that enterprises registered in the PRC may also convert their foreign debts from foreign currency into Renminbi on a self-discretionary basis. SAFE Circular 16 also provides an integrated standard for conversion of foreign exchange under capital account items (including, but not limited to, foreign currency capital and foreign debts) on a self-discretionary basis, which applies to all enterprises registered in the PRC. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while, among others, such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On 26 January 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimising Genuineness and Compliance Verification (《关于进一步推进外汇管理改革完善真实合规性审核的通知》), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including: (i)

banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to this circular, domestic entities should make detailed explanations of the sources of capital and utilisation arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

SAFE Circular 28, which was promulgated on 23 October 2019 and most recently amended on 4 December 2023, allows the foreign-invested enterprises without equity investment as in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investment as long as the investments are real and in compliance with the foreign investment-related laws and regulations. In addition, this circular stipulates that qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt and overseas listing, for the purpose of domestic payments without providing authenticity certifications to the relevant banks in advance for those domestic payments.

According to the Circular of the State Administration of Foreign Exchange on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (《国家外汇管理局关于优化外汇管理支持涉外业务发展的通知》) promulgated on 10 April 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Enterprises satisfying the prescribed requirements are allowed to use income under the capital accounts such as capital funds, foreign debts, and funds raised from overseas listings for domestic payment without providing banks with authenticity certification materials on a transaction-by-transaction basis in advance, under the premise that funds are used in a truthful and compliant manner and comply with the existing provisions on the administration of use of income under capital accounts.

On 4 December 2023, SAFE promulgated the Circular on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《国家外汇管理局关于进一步深化改革促进跨境贸易投资便利化的通知》), which amended SAFE Circular 16 and SAFE Circular 28 in the meantime. Under this circular, the foreign-invested enterprises are further facilitated with the use of their capital income from equity transfer and overseas listing, where the payment for equity transfer in foreign currency received by domestic equity transferors (including both individuals and institutions) from non-domestic entities, and the foreign exchange funds raised from overseas listings by domestic enterprises, can be directly transferred into the capital item settlement account; the funds in the capital item settlement account can be freely converted and used.

Loans by the Foreign Companies to their PRC Subsidiaries

A loan made by foreign investors as shareholders in a foreign-invested enterprise is considered to be foreign debt in China and is regulated by various laws and regulations, including the Foreign Exchange Regulations, the Interim Provisions on the Management of Foreign Debts (《外债管理暂行办法》), the Statistical Monitoring of Foreign Debts Tentative Provisions (Revised in 2020) (《外债统计监测暂行规定(2020 修订)》), and the Administrative Measures for Registration of Foreign Debts (《外债登记管理办法》). Under these rules and regulations, a shareholder loan in the form of foreign debt made to a PRC entity must be registered with and recorded by the SAFE or its local branches within 15 business days after entering into the foreign debt contract. Pursuant to these rules and regulations, the balance of the foreign debts of a foreign-invested enterprise shall not exceed the difference between the total investment approved by relevant authorities and the registered capital of the foreign-invested enterprise (the "**Total Investment and Registered Capital Balance**"); within the Total Investment and Registered Capital Balance, foreign-invested enterprises may independently incur foreign debt, whereas if the balance exceeds the Total Investment and Registered Capital Balance, such foreign-invested enterprise must be re-approved by the original approval authority for the total investment.

On 12 January 2017, the People's Bank of China (the "**PBOC**") promulgated the Notice of the People's Bank of China on Matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing (《中国人民银行关于全口径跨境融资宏观审慎管理有关事宜的通知》) (the "**PBOC Notice No. 9**"). Pursuant to PBOC Notice No. 9, within a transition period of one (1) year from 12 January 2017, the foreign-invested enterprises may adopt the currently valid foreign debt management mechanism (the "**Current Foreign Debt Mechanism**"), or the mechanism as provided in PBOC Notice

No. 9 (the "**Notice No. 9 Foreign Debt Mechanism**"), at their own discretion. PBOC Notice No. 9 provides that enterprises may conduct independent cross-border financing in RMB or foreign currencies according to relevant laws and regulations. Pursuant to PBOC Notice No. 9, the outstanding cross-border financing of an enterprise shall be calculated using a risk-weighted approach (the "**Risk-Weighted Approach**"), and shall not exceed certain specified upper limits. PBOC Notice No. 9 further provides that the upper limit of risk-weighted outstanding cross-border financing for enterprises shall be equal to 200% of its net assets multiplied by macro-prudential regulation parameter (the "**Net Asset Limits**"). Under the PBOC Notice No. 9, enterprises shall file with the SAFE in its capital item information system after entering into the relevant cross-border financing contracts and prior to three (3) business days before drawing any money from the foreign debts.

Based on the foregoing, if we provide funding to our wholly foreign-owned subsidiaries through shareholder loans, the balance of such loans shall not exceed the Total Investment and Registered Capital Balance and we will need to register such loans with the SAFE or its local branches in the event that the Current Foreign Debt Mechanism applies, or the balance of such loans shall be subject to the Risk-Weighted Approach and the Net Asset Limits and we will need to file the loans with the SAFE in its information system in the event that the Notice No. 9 Foreign Debt Mechanism applies. According to PBOC Notice No. 9, after a transition period of one (1) year from 11 January 2017, the PBOC and the SAFE will determine the cross-border financing administration mechanism for the foreign-invested enterprises after evaluating the overall implementation of PBOC Notice No. 9. As at the date hereof, neither the PBOC nor the SAFE has promulgated and made public any further rules, regulations, notices or circulars in this regard. It is uncertain which mechanism will be adopted by the PBOC and the SAFE in the future and what statutory limits will be imposed on us when providing loans to our PRC subsidiaries.

REGULATIONS ON DIVIDEND DISTRIBUTIONS

The principal laws and regulations governing dividend distributions by foreign-invested enterprises in the PRC are the PRC Company Law, the Foreign Investment Law and the Implementing Regulations of the Foreign Investment Law, foreign-invested enterprises may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. Additionally, these foreign-invested enterprises may not pay dividends unless they set aside at least 10% of their respective accumulated profits after tax each year, if any, to fund certain reserve funds, until such time as the accumulative amount of such fund reaches 50% of the enterprise's registered capital. In addition, these companies also may allocate a portion of their after-tax profits based on PRC accounting standards to employee welfare and bonus funds at their discretion. These reserves are not distributable as cash dividends.

HONG KONG

This section sets forth a summary of certain laws and regulations which are relevant to our Group's business in Hong Kong. Information contained in this section should not be construed as a comprehensive summary of the laws and regulations applicable to our Group.

Import and Export (Registration) Regulations (Cap. 60E of the Laws of Hong Kong) (the "Import and Export (Registration) Regulations")

The Import and Export (Registration) Regulations provide that every person who imports or exports any article other than an exempted article shall lodge an accurate and complete import or export declaration relating to such article with the Commissioner of Customs and Excise within 14 days after the importation or exportation of the article.

Any person who fails or neglects to declare within 14 days after importation or exportation without reasonable excuse is liable to a fine of HK\$2,000 upon summary conviction and commencing on the day following the date of conviction, a fine of HK\$100 in respect of every day during which his failure or neglect to lodge such declaration continues. Furthermore, any person who knowingly or recklessly lodges any declaration with the Commissioner of Customs and Excise that is inaccurate in any material particular shall be guilty of an offence and shall be liable to a fine of HK\$10,000 on summary conviction.

Further, a penalty is payable for any person who does not lodge the declaration within 14 days after the importation or exportation. If the total value of articles specified in a declaration does not exceed HK\$20,000, the penalty payable will be: (i) HK\$20 for lodgment of declaration after 14 days but within one (1) month and 14 days after the importation or exportation; (ii) HK\$40 for lodgment of declaration after one (1) month and 14 days but within two (2) months and 14 days after importation or exportation; and (iii) HK\$100 for lodgment of declaration after two (2) months and 14 days after the importation or exportation. If the total value of articles specified in a declaration exceeds HK\$20,000, the aforesaid penalty charges will be doubled to HK\$40, HK\$80 and HK\$200, respectively.

Sale of Goods Ordinance (Cap. 26 of the Laws of Hong Kong) (the "SOGO")

The SOGO codifies the law relating to the sale of goods in Hong Kong. In general, where the seller sells goods in the course of a business, there is an implied condition that the goods supplied under the contract are of merchantable quality. Where the seller sells goods in the course of a business and the buyer, expressly or by implication, makes known to the seller any particular purpose for which the goods are being bought, there is an implied condition that the goods supplied under the contract are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied, except where the circumstances show that the buyer does not rely, or that it is unreasonable for him to rely, on the seller's skill or judgment.

Where a contract for the sale of goods is by description, there is an implied condition that the goods shall correspond with the description. In the case of a contract for sale by sample, there is an implied condition that: (a) the bulk shall correspond with the sample in quality; (b) the buyer shall have a reasonable opportunity of comparing the bulk with the sample; and (c) the goods shall be free from any defect, rendering them unmerchantable, which would not be apparent on reasonable examination of the sample. If the sale is by sample, as well as by description, it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.

Trade Descriptions Ordinance (Cap. 362 of the Laws of Hong Kong) (the "TDO")

Under the TDO, (a) use of false trade descriptions; (b) false, misleading or incomplete information; (c) false marks and misstatements in respect of products; and (d) false trade descriptions in respect of services supplied are prohibited. In addition, the TDO makes certain trade practices criminal offence, namely: (i) misleading omission; (ii) aggressive commercial practices; (iii) bait advertising; (iv) bait and switch; and (v) wrongly accepting payment. The TDO also provides for offences relating to forged trade mark, and falsely applying to any goods any trade mark or any mark so nearly resembling a trade mark as to be calculated to deceive. The Commissioner of Customs and Excise is the principal enforcement agency.

Supply of Services (Implied Terms) Ordinance (Cap. 457 of the Laws of Hong Kong) (the "SOSO")

Under the SOSO, certain terms are implied in the contracts for the supply of services, including: (a) that the supplier will carry out the service with reasonable care and skill; (b) that the supplier will carry out the service within a reasonable time (if the time of service is not fixed by the contract, is not left to be fixed in a manner agreed by the contract or is not determined by the course of dealing between the parties); and (c) that the party contracting with the supplier will pay a reasonable charge (if the consideration is not determined by the contract, is not left to be determined in a manner agreed by the contract or is not determined by the course of dealing between the parties).

Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) (the "OSHO")

The OSHO provides for the safety and health protection to employees in workplaces, both industrial and non-industrial.

Employers must as far as reasonably practicable ensure the safety and health at work of all the employers' employees by, without limitation:

- providing and maintaining plant and systems of work that are, so far as reasonably practicable, safe and without risks to health;

- making arrangements for ensuring, so far as reasonably practicable, safety and absence of risks to health in connection with the use, handling, storage and/or transport of plant and/or substances;
- providing all necessary information, instruction, training and supervision for ensuring, so far as reasonably practicable, safety and health at work;
- as regards any workplaces under the employers' control, maintaining the workplaces in a condition that is, so far as reasonably practicable, safe and without risks to health, or providing and maintaining means of access to and egress from the workplaces that are, so far as reasonably practicable, safe and without any such risks; and
- providing and maintaining a working environment for the employer's employees that is, so far as reasonably practicable, safe and without risks to health.

Failure to comply with any of the above requirements constitutes an offence and the employer is liable on conviction to a maximum fine of HK\$10,000,000. An employer who fails to do so intentionally, knowingly or recklessly commits an offence and is liable on conviction to a maximum fine of HK\$10,000,000 and to a maximum imprisonment for two (2) years.

Further, the Commissioner for Labour may, at its discretion, serve an improvement notice against non-compliance of the OSHO and/or a suspension notice against activity undertaken on the premises where a workplace is located which may create imminent risk of death or serious bodily injury. Failure to comply with an improvement notice or contravention of a suspension notice without reasonable excuse constitutes an offence punishable by a maximum fine of HK\$400,000 and HK\$1,000,000 respectively and imprisonment of up to 12 months (and in the case of a suspension notice, knowing and intentional continuation of such contravention will attract a further fine of HK\$100,000 for each day or part of a day during the contravention).

Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong) (the "ECO")

The ECO lays down the rights and obligations of employers and employees in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases.

Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is, in general, liable to pay compensation, even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, under the ECO, an employee who suffers incapacity or dies arising from an occupational disease and is due to the nature of any employment in which the employee was employed at any time within the prescribed period immediately preceding such incapacity or death, is (subject to modifications under the ECO) entitled to receive the same compensation as that payable to employees injured in occupational accidents.

Under section 40 of the ECO, all employers are required to take out insurance policies to cover their liabilities under the laws (including the common law) for injuries at work in respect of all their employees (including full-time and part-time employees). An employer who fails to comply with the ECO to secure an insurance cover commits an offence and is liable on conviction upon indictment to a maximum fine of HK\$100,000 and to imprisonment for up to two (2) years and on a summary conviction to a maximum fine of HK\$100,000 and to imprisonment for up to one (1) year.

According to section 15(1) of the ECO, an employer shall report any accident which results in the death of the employee within three (3) days after the accident to the Commissioner for Labour not later than seven (7) days after the accident, irrespective of whether the accident gives rise to any liability to pay compensation. According to section 15(1A) of the ECO, an employer shall report any accident which results in the total or partial incapacity of the employee to the Commissioner for Labour not later than 14 days after the accident, irrespective of whether the accident gives rise to any liability to pay compensation.

According to section 48 of the ECO, an employer shall not, without the consent of the Commissioner for Labour, terminate, or give notice to terminate, the contract of service of an employee (who has suffered incapacity in circumstances which entitle him to compensation under the ECO) before occurrence of certain prescribed events. Any person who commits breach of this provision is liable on conviction to a maximum fine of HK\$100,000.

Employment Ordinance (Cap. 57 of the Laws of Hong Kong) (the "EO")

The EO provides various employment-related benefits and entitlements to employees. All employees covered by the EO, irrespective of their hours of work, are entitled to basic protection under the EO including, among others, payment of wages (which is defined under the EO to include, among others, remuneration and overtime pay), restrictions on wages deductions and granting of statutory holidays. Employees who are employed under a continuous contract may be further entitled to such benefits as rest days, paid annual leave, sickness allowance, severance payment and long service payment.

Under section 25 of the EO, where a contract of employment is terminated, any sum due to the employee (other than severance payment, if any) shall be paid to him as soon as it is practicable and, in any case, not later than seven (7) days after the day of termination. Any employer who wilfully and without reasonable excuse contravenes section 25 of the EO commits an offence and is liable to a maximum fine of HK\$350,000 and to imprisonment for a maximum of three (3) years. Further, under section 25A of the EO, if any wages or any sum referred to in section 25(2)(a) of the EO are not paid within seven (7) days from the day on which they become due, the employer shall pay interest at a specified rate on the outstanding amount of wages or sum from the date on which such wages or sum become due up to the date of actual payment. Any employer who wilfully and without reasonable excuse contravenes section 25A of the EO commits an offence and is liable on conviction to a maximum fine of HK\$10,000.

Occupiers Liability Ordinance (Cap. 314 of the Laws of Hong Kong) (the "OLO")

The OLO regulates the obligations of a person occupying or having control of premises on injury resulting to persons or damage caused to goods or other property lawfully on the land.

The OLO imposes a common duty of care on an occupier of premises to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong) (the "MWO")

The MWO provides for a statutory minimum wage level for every employee employed under the EO, save and except for those specified under section 7(2), (3), (4) and (5) of the MWO. Any provision of the employment contract which purports to extinguish or reduce the right, benefit or protection conferred on the employee by the MWO is void. The Minimum Wage Commission is established under section 11 of the MWO and its main function is, when required by the Chief Executive of the Hong Kong Special Administrative Region to do so, to report to the Hong Kong Chief Executive in Council its recommendation about the amount of the prescribed minimum hourly wage rate.

Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) (the "MPFSO")

The MPFSO provides that an employer shall enrol their regular employees (except for certain exempt persons) aged between at least 18 but under 65 years of age and employed for 60 days or more in a Mandatory Provident Fund ("MPF") scheme within the first 60 days of employment.

For both employees and employers, it is mandatory to make regular contributions into a MPF scheme. For an employee, subject to the maximum and minimum levels of income (HK\$30,000 and HK\$7,100 per month, respectively on or after 1 June 2014), an employer will deduct 5% of the relevant income on behalf of an employee as mandatory contributions to a registered MPF scheme with a ceiling of HK\$1,500 on or after 1 June 2014. An employer will also be required to contribute an amount equivalent to 5% of an employee's relevant income to the MPF scheme, subject only to the maximum level of income (HK\$30,000 on or after 1 June 2014). The Mandatory Provident Fund Schemes Authority

established under the MPFSO regulates the operations of MPF schemes in accordance with the provisions under the MPFSO.

Business Registration Ordinance (Cap. 310 of the Laws of Hong Kong) (the "BRO")

The BRO requires every entity that carries on a business in Hong Kong to apply for business registration with the Business Registration Office of the Inland Revenue Department within one (1) month from the date of commencement of the business, and to display a valid business registration certificate at the place of business.

Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong) (the "TMO")

The TMO provides for the registration of trademarks, the use of registered trademarks and connected matters. Hong Kong provides territorial protection for trademarks. Therefore, trademarks registered in other countries or regions are not automatically entitled to protection in Hong Kong. In order to enjoy protection by the laws of Hong Kong, trademarks must be registered with the Trade Marks Registry of the Intellectual Property Department under the TMO and the Trade Marks Rules (Cap. 559A of the Laws of Hong Kong) (the "**Trade Marks Rules**").

According to section 10 of the TMO, a registered trademark is a property right acquired through due registration under such ordinance. The owner of a registered trademark has the rights and is entitled to the remedies provided by the TMO.

Pursuant to section 14 of the TMO, the owner of a registered trademark is conferred exclusive rights in the trademark. The rights of the owner in respect of the registered trademark have effect from the date of the registration of the trademark which is the filing date of the application for registration, according to section 48 of the TMO.

Subject to the exceptions in section 19 to section 21 of the TMO, any use of trademark by third parties without the consent of the registered owner is an infringement of the trademark. Conducts which amount to infringement of the registered trademark are further specified in section 18 of the TMO. Under section 23 and section 25 of the TMO, an infringement proceeding will be conducted if an infringement of trademark takes place and the registered owner is entitled to remedies under the TMO.

Trademarks which are not registered under the TMO and the Trade Marks Rules may still be protected by the common law action of passing off, which requires proof of the owner's reputation in the unregistered trademark and that use of the trademark by third parties will cause the owner damage.

Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (the "IRO")

The IRO is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The IRO provides, among other things, that persons, which include corporations, partnerships, trustees and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. The IRO also contains provisions relating to, among other things, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciation.

Under section 52(2) of the IRO, every person who is an employer shall, when required to do so by notice in writing given by an assessor appointed under the IRO, furnish a return of all persons employed by him in receipt of remuneration in excess of a minimum figure to be fixed by the assessor or any other person employed by him named by the assessor.

In addition, under section 52(4) of the IRO, where any person who is an employer commences to employ in Hong Kong an individual who is or is likely to be chargeable to tax under Part 3 of the IRO, or any married person, he shall give notice thereof in writing to the Commissioner of Inland Revenue not later than three (3) months after the date of commencement of such employment. Under section 52(5) of the IRO, where any person who is an employer ceases or is about to cease to employ in Hong Kong an individual who is or is likely to be chargeable to tax under Part 3 of the IRO, or any married

person, he shall give notice thereof in writing to the Commissioner of Inland Revenue not later than one (1) month before such individual ceases to be employed in Hong Kong.

Section 20A of the IRO gives the Inland Revenue Department (the "**IRD**") wide powers to collect tax due from a non-resident person or his agent in respect of all his profits arising in or derived from Hong Kong from any trade, profession or business carried on in Hong Kong. The IRD may also make transfer pricing adjustments by disallowing expenses incurred by the Hong Kong resident under sections 16(1), 17(1)(b) and 17(1)(c) of the IRO, making additional assessments under section 60 of the IRO and challenging the entire arrangement under general anti-avoidance provisions such as sections 61 and 61A of the IRO.

SINGAPORE

This section sets forth a summary of certain laws and regulations which are relevant to our Group's business in Singapore. Information contained in this section should not be construed as a comprehensive summary of the laws and regulations applicable to our Group.

Regulations relating to Employment

Employment Act 1968 of Singapore ("Employment Act")

The Employment Act is administered by the Ministry of Manpower ("**MOM**") and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the Employment Act ("**Relevant Employees**").

In particular, Part 4 of the Employment Act sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S\$4,500 a month and employees (other than workmen or persons employed in managerial or executive positions) who receive salaries not exceeding S\$2,600 a month. Section 38(8) of Part 4 of the Employment Act provides that a relevant employee is not allowed to work for more than 12 hours in any one (1) day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of Part 4 of the Employment Act limits the extent of overtime work that a relevant employee can perform to 72 hours a month. Employers must seek the prior approval of the Singapore Commissioner for Labour for exemption if they require a relevant employee or class of Relevant Employees to work for more than 12 hours a day or work overtime for more than 72 hours a month.

An employer who breaches the above provisions shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offence to a fine not exceeding S\$10,000 and/or to imprisonment for a term not exceeding 12 months.

Employment of Foreign Manpower Act 1990 of Singapore ("EFMA"), Employment of Foreign Manpower (Work Passes) Regulations 2012 of Singapore ("EFMA(R)") and Immigration Act 1959 of Singapore ("Immigration Act")

The employment of foreign workers in Singapore is governed by the EFMA and regulated by the MOM. Under Section 5(1) of the EFMA, no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass. Any person who contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall (a) be liable on conviction to a fine at least S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and (b) on a second or subsequent conviction: (i) in the case of an individual, be punished with a fine of at least S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one (1) month and not more than 12 months; or (ii) in any other case, be punished with a fine of at least S\$20,000 and not more than S\$60,000.

A work pass includes, amongst others: (a) employment pass, for foreign professionals, managers and executives (excluding those in financial services) earning at least S\$5,000 per month and who have acceptable qualifications; (b) S Pass, for skilled staff (excluding those in financial services) who earn at least S\$3,150 per month if they are new applicants; and (c) work permit for skilled or semi-skilled migrant workers in the construction, manufacturing, marine shipyard, process or services sectors.

The EFMA(R) requires employers of work permit holders, among others, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage);
- provide acceptable accommodation;
- provide safe working conditions and take such measures as are necessary to ensure the safety and health of the foreign employee; and
- purchase and maintain medical insurance for inpatient care and day surgery with coverage of at least S\$15,000 per every 12-month period of the foreign employee's employment (or for such shorter period where the foreign employee's period of employment is less than 12 months).

The EFMA(R) also requires employers of S Pass holders, among others, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage); and
- purchase and maintain medical insurance for inpatient care and day surgery with coverage of at least S\$15,000 per every 12-month period of the foreign employee's employment (or for such shorter period where the foreign employee's period of employment is less than 12 months).

Further, the Immigration Act provides that no person, other than a citizen of Singapore, shall enter or attempt to enter Singapore unless, amongst others, he is in possession of a valid pass lawfully issued to him to enter Singapore.

Accordingly, an employer of foreign workers is also subject to the Employment Act and the Immigration Act, and the regulations issued pursuant thereto.

Workplace Safety and Health Act 2006 ("WSHA")

Under the WSHA administered by the MOM, every employer has the duty to take, so far as reasonably practicable, measures necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining a safe working environment for the employees, without risk to health, and adequate facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, developing and implementing procedures for dealing with emergencies that may arise while the employees are at work and ensuring that the employee at work has adequate instruction, information, training and supervision as is necessary for that employee to perform his work. More specific duties imposed on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations of Singapore, which include taking all reasonably practicable measures to prevent the workplace from being overcrowded and ensuring adequate ventilation of the workplace.

Work Injury Compensation Act 2019 ("WICA")

The WICA regulated by the MOM applies to employees in respect of injuries suffered by them arising out of and in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the methods of calculating such compensation.

The WICA provides that the employer shall be liable to pay compensation under the WICA if personal injury is caused to an employee by accident arising out of and in the course of the employee's employment with the employer. The amount of compensation shall be computed in accordance with the First Schedule of the WICA, subject to a maximum and minimum limit, taking into account factors such as the severity and permanence of the personal injury suffered.

Further, the WICA provides that where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the contractor) for the execution by the contractor of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the Singapore Commissioner for Labour may direct the principal to fulfil the obligations of the employer under the WICA in relation to any employee of the

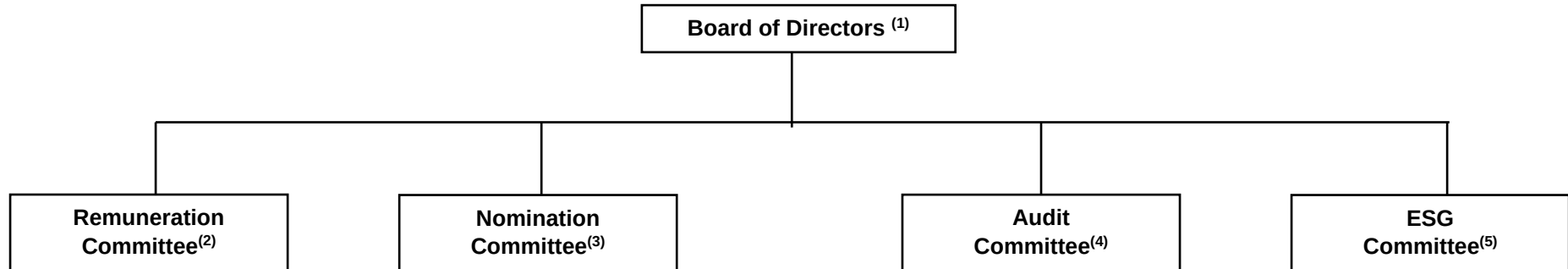
contractor employed in the execution of the work. Where such a direction has been made, the principal shall be liable to pay to any employee of the contractor employed in the execution of the work any compensation which he would have been liable to pay under the WICA if that employee had been immediately employed by the principal, except that the amount of compensation is to be calculated with reference to the earnings of the employee under the contractor.

Every employer is required to maintain work injury compensation insurance for all employees doing manual work, regardless of salary level and all employees doing non-manual work, earning S\$2,600 or less per month, excluding any overtime payment, bonus payment, annual wage supplement, productivity incentive payment and any allowance. Failure to do so is an offence carrying a fine of up to S\$10,000 and/or imprisonment of up to 12 months. If the person is a repeat offender, he may be imposed with a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 12 months or to both. Under the WICA, every employer is required to insure and maintain insurance under approved policies with an insurer against all liabilities which he may incur under the provisions of the WICA in respect of all employees employed him, unless specifically exempted. The compensation limits for death and permanent incapacity are S\$225,000 and S\$289,000, respectively. From 1 November 2025, the maximum compensation limits for death and permanent incapacity will increase to S\$260,000 and S\$346,000, respectively. The compensation limit for medical treatment is the cost of medical treatment received by the employee within a period of one (1) year after the date of the accident causing the injury, or S\$45,000, whichever occurs first.

MANAGEMENT AND CORPORATE GOVERNANCE

MANAGEMENT REPORTING STRUCTURE

The following diagram illustrates the management reporting structure of our Company:



Notes:

- (1) Our Board of Directors comprises the Directors as set out in the section entitled "*Management and Corporate Governance – Directors and Executive Officers – Directors*" of this Introductory Document.
- (2) Our Remuneration Committee comprises one (1) Executive Director and two (2) independent non-executive Directors, being Ms. Liu Jianhong, Mr. Jesse Zhixi Fang and Mr. Zhang Zhong. The chairman of the Remuneration Committee is Mr. Zhang Zhong.
- (3) Our Nomination Committee comprises one (1) Executive Director and two (2) independent non-executive Directors, being Mr. Liu Shunxing, Ms. Huang Jian and Ms. Li Yongli. The chairman of the Nomination Committee is Mr. Liu Shunxing.
- (4) Our Audit Committee currently comprises three (3) independent non-executive Directors, being Ms. Huang Jian, Mr. Zhang Zhong and Ms. Li Yongli. The chairman of the Audit Committee is Ms. Huang Jian. Ms. Huang Jian is a certified public accountant in the PRC.
- (5) The ESG Committee comprises two (2) Executive Directors and three (3) independent non-executive Directors, being Ms. Liu Jianhong, Mr. Zhai Feng, Mr. Jesse Zhixi Fang and Mr. Chua Pin. The chairman of the ESG Committee is Ms. Liu Jianhong.

DIRECTORS AND EXECUTIVE OFFICERS

Directors

Our Directors are entrusted with the responsibility for the overall management of our Group, with our day-to-day operations being entrusted to our Executive Directors and Executive Officers. The following table sets out information regarding our Directors as at the date of this Introductory Document.

Name	Age	Position	Address
Mr. Liu Shunxing (刘顺兴)	63	Executive Director and Chairman	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Ms. Liu Jianhong (刘建红)	56	Executive Director and Vice Chairperson	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Niu Wenhui (牛文辉)	54	Executive Director and CEO	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Zhai Feng (翟锋)	58	Executive Director and Vice President	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Ms. Shang Jia (尚佳)	62	Executive Director and Vice President	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Chan Kam Kwan, Jason (陈锦坤)	52	Executive Director and Company Secretary	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Wang Feng (王峰)	55	Non-Executive Director	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Ms. Huang Jian (黄简)	57	Independent Non-Executive Director	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Jesse Zhixi Fang (方之熙)	78	Independent Non-Executive Director	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Zhang Zhong (张忠)	57	Independent Non-Executive Director	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Ms. Li Yongli (李永丽)	62	Independent Non-Executive Director	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Chua Pin (蔡斌)	60	Independent Non-Executive Director	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712

Information regarding the areas of responsibility and working experience of our Directors and Executive Officers is set out below.

Mr. Liu Shunxing (刘顺兴), aged 63, joined the Group in 2007. He has been the Chairman of the Company since June 2009 and is also the Chairman of the Nomination Committee of the Company. Mr. Liu holds a bachelor's degree in power system automation and a master's degree in industrial

management engineering. Mr. Liu possesses extensive experience in comprehensive management of energy enterprises.

Ms. Liu Jianhong (刘建红), aged 56, joined the Group in 2007. She has been the Vice Chairperson of the Company since January 2016 and is also the Chairperson of the Environmental, Social, and Governance Committee and a member of the Remuneration Committee of the Company. Ms. Liu holds a bachelor's and master's degree in law and an executive master's degree in business administration. Ms. Liu has rich experience in human resources, compliance, and risk management.

Mr. Niu Wenhui (牛文辉), aged 54, joined the Group in 2010. He is the CEO of the Company and has become an Executive Director of the Company since January 2017. He holds a bachelor's degree in financial accounting and a master's degree in business administration. Mr. Niu has over 20 years of experience in financial management of group enterprises.

Mr. Niu Wenhui was our CFO and has since been promoted to become our CEO with effect from 3 November 2025. Mr. Niu Wenhui will continue to cover the duties and responsibilities of our CFO on an interim basis, pending the appointment of a suitable candidate to the CFO position.

Mr. Zhai Feng (翟锋), aged 58, joined the Group in 2019. He has become an Executive Director of the Company since January 2020. He holds a bachelor's degree in law and an executive master's degree in business administration. Mr. Zhai has over 30 years of experience in law, finance, and capital management.

Ms. Shang Jia (尚佳), aged 62, joined the Group in 2011. She has been an Executive Director of the Company since April 2021. Ms. Shang holds a bachelor's degree in industrial economics and management. Ms. Shang has over 30 years of experience in power development and production management.

Mr. Chan Kam Kwan, Jason (陈锦坤), aged 52, joined our Group in 2006. He is the company secretary of the Company and has been an Executive Director of the Company since April 2024. Mr. Chan holds a bachelor's degree in business and a Certified Public Accountant (CPA) certificate issued by the Washington State Board of Accountancy. Mr. Chan has extensive experience in corporate finance.

Mr. Wang Feng (王峰), aged 55, has been appointed as a non-executive director of the Company since February 2019. Mr. Wang holds a bachelor's degree in power system automation and a master's degree in power engineering. Mr. Wang has 30 years of experience in energy industry and management.

Ms. Huang Jian (黄简), aged 57, has been an independent non-executive Director of the Company since December 2012 and is also the Chairperson of the Audit Committee and a member of the Nomination Committee of the Company. Ms. Huang holds a bachelor's and master's degree in financial accounting. She is also a Chinese certified public accountant. Ms. Huang has over 40 years of financial and audit experience.

Mr. Jesse Zhixi Fang (方之熙), aged 78, has been an independent non-executive director of the Company since January 2018 and is also a member of the Remuneration Committee and the Environmental, Social and Governance Committee of the Company. Mr. Fang holds a bachelor's degree in mathematics and a master's and doctorate degree in computing. Mr. Fang has nearly 30 years of management experience in the semiconductor research and industry management.

Mr. Zhang Zhong (张忠), aged 57, has been an independent non-executive director of the Company since June 2018 and is also the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. Zhang holds a bachelor's and master's degree in law. Mr. Zhang has over 30 years of legal and risk control experience.

Ms. Li Yongli (李永丽), aged 62, has been an independent non-executive director of the Company since May 2022 and is also a member of the Audit Committee and the Nomination Committee of the Company. Ms. Li holds a bachelor's degree and master's degree in electric power system automation and a PhD in electrical engineering. Ms. Li has 40 years of experience in the field of electricity research.

Mr. Chua Pin (蔡斌), aged 60, has been an independent non-executive director of the Company since October 2024, and is also a member of the Environmental, Social and Governance Committee of the Company. Mr. Chua holds a bachelor's degree in business administration. Mr. Chua has over 30 years of experience in the financial industry.

Experience of Our Directors

As our Company is listed on the HKSE, all our Directors have experience as a director of at least one (1) public listed company in Hong Kong. Our Directors have been briefed on the roles and responsibilities of a director of a public listed company in Singapore prior to our Introduction.

Executive Officers

In addition to our Executive Directors, our Executive Officers are responsible for the day-to-day management and operations of our Company. The following table sets out information regarding our Executive Officers as at the date of this Introductory Document.

Name	Age	Position	Address
Mr. Chen Shengjun (陈胜军)	51	Vice President and CTO	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Wang Xigang (王锡钢)	45	Vice President	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Zhou Xiaole (周小乐)	44	Vice President	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712
Mr. Mike Luo (罗迈)	40	Vice President	c/o 30 Cecil Street #21-01 Prudential Tower Singapore 049712

Information regarding the areas of responsibility and working experience of our Executive Officers is set out below.

Mr. Chen Shengjun (陈胜军), aged 51, joined the Group in 2022 and serves as the Chief Technology Officer and Vice President of the Company. Mr. Chen holds a bachelor's degree in precision instruments and a master's degree in industrial engineering. Mr. Chen has rich technical capabilities and managerial experience.

Mr. Wang Xigang (王锡钢), aged 45, joined the Group in 2009 and serves as the Vice President of the Company. Mr. Wang holds a bachelor's degree in economics and a master's degree in business administration. Mr. Wang has over a decade of experience in company management.

Mr. Zhou Xiaole (周小乐), aged 44, joined the Group in 2007 and serves as a Vice President of the Company. Mr. Zhou holds a bachelor's degree in electronic information and business administration and a master's degree in corporate media. Mr. Zhou has more than fifteen years of experience in project development and management.

Mr. Mike Luo (罗迈), aged 40, joined the Group in 2010 and serves as a Vice President of the Company. Mr. Luo holds a bachelor's degree in economics. Mr. Luo has over ten years of experience in managing renewable energy projects.

Past and Present Principal Directorships

The past and present principal directorships in the Principal Subsidiaries and publicly listed companies held by our Directors and Executive Officers in the last five (5) years preceding the date of this Introductory Document (excluding those held in our Company) are set out in the section entitled "*Appendix E – List of Past and Present Directorships*" of this Introductory Document. Further, none of our Directors has any interest in companies (including an interest as a director) which are in, or are likely to be in, competition with our Group, in the last five (5) years preceding the date of this Introductory Document.

None of the Independent Directors of our Company sits on the board of any member of our Group.

Service Agreements with Directors

Apart from the employment agreements entered into with each of our Executive Directors, our Executive Directors do not currently have a fixed term of office, and each of them will be subject to retirement by rotation and re-election at the general meetings of our Company. As regards the remuneration of our Executive Directors for FY2022, FY2023 and FY2024, the details are as set out in the section entitled "*Management and Corporate Governance – Directors and Executive Officers – Compensation of Directors and Executive Officers*" of this Introductory Document.

There are no existing or proposed service agreements entered into or to be entered into by any of our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

Arrangement or Understanding

Save for Mr. Wang Feng, our non-Executive Director of our Group who is an employee of Huadian New Energy (华电新能源), a substantial shareholder of our Company, there is no arrangement or understanding with any substantial shareholder, customer or supplier of our Company or other person, pursuant to which any of our Directors or Executive Officers was selected as a Director or Executive Officer of our Company.

Family Relationship

There is no family relationship among any of our Directors and Executive Officers and any substantial shareholder of our Company.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Directors' Remuneration

The following table sets out the total amount of remuneration paid to each Director for each of FY2022, FY2023 and FY2024:

Director	Fees (RMB'000)	Salary (RMB'000)	Share- based payment ⁽¹⁾ (RMB'000)	Employer's contribution to a retirement benefit scheme (RMB'000)	Total remuneration (RMB'000)
FY2024					
Mr. Liu Shunxing (刘顺兴)	-	9,351	448	20	9,819
Ms. Liu Jianhong (刘建红)	-	6,590	336	147	7,073
Mr. Gui Kai (桂凯) ⁽⁷⁾	-	4,618	232	14	4,864
Mr. Niu Wenhui (牛文辉)	-	4,303	232	177	4,712
Mr. Zhai Feng (翟锋)	-	3,269	232	172	3,673
Ms. Shang Jia (尚佳)	-	2,780	232	775	3,787
Mr. Chan Kam Kwan, Jason (陈锦坤) ⁽²⁾	-	553	58	16	627
Mr. Wang Feng (王峰)	-	-	-	-	-
Ms. Huang Jian (黄简)	296	-	58	-	354
Mr. Jesse Zhixi Fang (方之熙)	296	-	58	-	354
Mr. Zhang Zhong (张忠)	296	-	58	-	354
Ms. Li Yongli (李永丽)	296	-	-	-	296
Mr. Chua Pin (蔡斌) ⁽³⁾	56	-	-	-	56
Total	1,240	31,464	1,944	1,321	35,969

	Fees (RMB'000)	Salary (RMB'000)	Share- based payment⁽¹⁾ (RMB'000)	Employer's contribution to a retirement benefit scheme (RMB'000)	Total remuneration (RMB'000)
Director					
FY2023					
Mr. Liu Shunxing (刘顺兴)	-	8,536	1,088	16	9,640
Ms. Liu Jianhong (刘建红)	-	5,691	821	256	6,768
Mr. Gui Kai (桂凯) ⁽⁷⁾	-	4,443	580	1	5,024
Mr. Niu Wenhui (牛文辉)	-	4,293	580	169	5,042
Mr. Zhai Feng (翟锋)	-	3,355	557	170	4,082
Ms. Shang Jia (尚佳)	-	3,467	568	1	4,036
Mr. Wang Feng (王峰)	-	-	-	-	-
Mr. Yap Fat Suan, Henry (叶发旋) ⁽⁴⁾	238	-	144	-	382
Ms. Huang Jian (黄简) ⁽⁵⁾	238	-	144	-	382
Mr. Jesse Zhixi Fang (方之熙)	238	-	144	-	382
Mr. Zhang Zhong (张忠)	238	-	144	-	382
Ms. Li Yongli (李永丽) ⁽⁶⁾	238	-	-	-	238
Total	1,190	29,785	4,770	613	36,358

	Fees (RMB'000)	Salary (RMB'000)	Share- based payment⁽¹⁾ (RMB'000)	Employer's contribution to a retirement benefit scheme (RMB'000)	Total remuneration (RMB'000)
Director					
FY2022					
Mr. Liu Shunxing (刘顺兴)	-	6,456	2,665	16	9,137
Ms. Liu Jianhong (刘建红)	-	4,702	2,032	233	6,967
Mr. Gui Kai (桂凯) ⁽⁷⁾	-	3,981	1,656	-	5,637
Mr. Niu Wenhui (牛文辉)	-	4,012	1,656	155	5,823
Mr. Zhai Feng (翟锋)	-	3,129	1,545	156	4,830
Ms. Shang Jia (尚佳)	-	3,306	1,600	-	4,906
Mr. Wang Feng (王峰)	-	-	-	-	-
Mr. Yap Fat Suan, Henry (叶发旋) ⁽⁴⁾	211	-	411	-	622
Ms. Huang Jian (黄简) ⁽⁵⁾	211	-	411	-	622
Mr. Jesse Zhixi Fang (方之熙)	211	-	411	-	622
Mr. Zhang Zhong (张忠)	211	-	411	-	622
Ms. Li Yongli (李永丽) ⁽⁶⁾	133	-	-	-	133
Total	977	25,586	12,798	560	39,921

Notes:

- (1) These represent amortisation of the fair value of shares awarded under the 2015 Share Award Scheme measured at the grant date and charged to the profit or loss during the reporting period.
- (2) Mr. Chan Kam Kwan, Jason has been appointed as an Executive Director with effect from 26 April 2024.
- (3) Mr. Chua Pin has been appointed as an independent non-executive director with effect from 25 October 2024.
- (4) Mr. Yap Fat Suan, Henry had resigned as an independent non-executive director and the Chairman of the Audit Committee of the Company with effect from 18 December 2023.
- (5) Ms. Huang Jian has been appointed as the Chairman of the Audit Committee with effect from 18 December 2023.
- (6) Ms. Li Yongli has been appointed as an independent non-executive director with effect from 19 May 2022.
- (7) Mr. Gui Kai had resigned as an executive Director, the Chief Executive Officer and a member of the ESG Committee with effect from 3 November 2025.

The five (5) highest paid employees during each of the FY2022, FY2023 and FY2024 are all directors, details of whose remuneration are set out in the tables above.

Remuneration of Executive Officers

The remuneration, including sales commissions, equity-settled share option expense and awarded share expense, of the senior management of our Group (including the Executive Officers) by band for FY2022, FY2023 and FY2024 is set out as follows:

Total Remuneration bands (RMB)	Number of person(s)		
	FY2022	FY2023	FY2024
106,000 to 3,750,000	6	-	-
1,430,000 to 4,112,000	-	6	-
2,000,000 to 4,000,000	-	-	6

Other than amounts set aside or accrued for compliance with relevant laws and regulations, and as disclosed in Notes 11 and 12 of the audited consolidated financial statements of the Company and its subsidiaries as at and for FY2024, no amounts have been set aside or accrued by our Company or subsidiaries to provide for pension, retirement or similar benefits for our employees.

Our Company does not have any bonus or profit-sharing plan or profit-linked agreement or arrangement with / for any of our Directors, Executive Officers or employees. As such, no portion of the compensation was paid or is to be paid pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement.

Information in bands of up to S\$50,000 on the amount of compensation paid by the Group for each of the 2 most recently completed financial years to each employee who is an immediate family member of a director or chief executive officer of the Company, and whose remuneration exceeds S\$50,000 during the relevant financial year, is not disclosed in this Introductory Document as the Hong Kong Listing Rules do not require the disclosure of compensation paid to a member of the immediate family (as defined in the Listing Manual) of a director or chief executive officer of the Company provided that such compensation does not constitute a connected transaction (as defined in the Hong Kong Listing Rules) or constitute a de minimis transaction which is fully exempt from the connected transaction requirements under the Hong Kong Listing Rules. In this regard, if the total consideration for a connected transaction (as defined under the HK Listing Rules) is less than HK\$3 million and all applicable percentage ratios are less than 5%, it is fully exempted from disclosure requirements for "connected transactions" under the Hong Kong Listing Rules. Under the applicable accounting standards, the immediate family member of a director will be considered as a related party. If the family member is also one of the key management personnel members, the relevant disclosure can be included under key management personnel remuneration without identifying the relevant employees.

2015 Share Award Scheme

We adopted a share award scheme on 15 June 2015, which was amended on 29 June 2017 ("**2015 Share Award Scheme**"). Pursuant to the 2015 Share Award Scheme, Shares were awarded to employees and directors of our Group. Subject to any early termination as may be determined by our Board, the 2015 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on 15 June 2015, i.e. the 2015 Share Award Scheme has expired on 15 June 2025. As at the Latest Practicable Date, all shares that were awarded under the 2015 Share Award Scheme have vested and been transferred to the relevant employees. No share options were included and/or granted under the 2015 Share Award Scheme.

CORPORATE GOVERNANCE

Our Board is responsible for, *inter alia*, formulating corporate strategies, approving overall business plans and overseeing our Group's financial performance, management and organisation on behalf of the Shareholders. Our Board is also responsible for performing the corporate governance duties as set out in the Code Provisions.

Board Committees

We have four (4) board committees: the Audit Committee, the Nomination Committee, the Remuneration Committee and the ESG Committee.

- **Audit Committee**

Our Audit Committee currently comprises three (3) independent non-executive Directors, being Ms. Huang Jian, Ms. Li Yongli and Mr. Zhang Zhong. The chairman of the Audit Committee is Ms. Huang Jian. Ms. Huang Jian is a certified public accountant in the PRC.

We have determined that Ms. Huang Jian qualifies as an “independent non-executive director” with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Hong Kong Listing Rules. Under Rule 3.21 of the Hong Kong Listing Rules, at least one (1) member of our Audit Committee is required to be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Hong Kong Listing Rules.

Pursuant to the written terms of reference of our Audit Committee, a former partner of our Company’s existing auditing firm should be prohibited from acting as a member of our Audit Committee for a period of two (2) years from the date of the person ceasing (i) to be a partner of the firm; or (ii) to have any financial interest in the firm, whichever is later.

The duties and responsibilities of our Audit Committee include the following:

- (a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. Our Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (c) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, “external auditor” includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. Our Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- (d) to monitor the integrity of our Company’s financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Committee should focus particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting standards; and
 - (vi) compliance with the Hong Kong Listing Rules and legal requirements in relation to financial reporting;
- (e) regarding (d) above:

- (i) members of our Audit Committee should liaise with our Board and senior management and our Audit Committee must meet, at least twice a year, with our Company's auditors; and
 - (ii) our Audit Committee shall consider any material or unusual matters that are or need to be reflected in such reports and accounts, and shall give due consideration to any matters raised by our Company's accounting and financial reporting staff, compliance officers or auditors;
- (f) to review our Company's financial records, and unless expressly addressed by a separate board risk committee, or by the Board, to review our Company's risk management and internal control systems;
- (g) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of our Company's accounting and financial reporting function;
- (h) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within our Company, and to review and monitor its effectiveness;
- (j) to review our Group's financial and accounting policies and practices;
- (k) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- (l) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (m) to report to the Board on the matters in the Code Provisions under Appendix C1 to the Hong Kong Listing Rules (as amended from time to time);
- (n) to consider other topics, as defined by the Board;
- (o) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. Our Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- (p) to act as the key representative body for overseeing our Company's relations with the external auditor; and
- (q) meet with the auditor, at least annually, in the absence of management, to discuss matters relating to its audit fees, any issues arising from the audit and any other matters the auditors may wish to raise.

The authority of our Audit Committee includes the following:

- (a) to investigate any activity within its terms of reference. Our Audit Committee is authorised to seek any information it requires from any employee or Executive Director and all employees are directed to co-operate with any request made by the Audit Committee;
- (b) to be provided with sufficient resources to perform its duties. Our Audit Committee is authorised by the Board, and at reasonable expense of our Company, to obtain outside legal or other

independent professional advice and, having ensured the Company's interests are protected, to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;

- (c) to report to the Board any suspected frauds and irregularities, failures of internal control or suspected infringements of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board, and
- (d) where the Board disagrees with our Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Committee should include in the corporate governance report a statement from the Committee explaining its recommendation and also the reason(s) why the Board has taken a different view.

- **Nomination Committee**

Our Nomination Committee comprises one (1) Executive Director and two (2) independent non-executive Directors, being Mr. Liu Shunxing, Ms. Huang Jian and Ms. Li Yongli. The chairman of the Nomination Committee is Mr. Liu Shunxing.

The duties and responsibilities of our Nomination Committee include the following:

- (a) to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. In identifying suitable individuals, the Nomination Committee shall consider individuals on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
- (c) to assess the independence of independent non-executive Directors with reference to the independence guidelines as set out in the Hong Kong Listing Rules;
- (d) to review the diversity policy, as appropriate, and review the measurable objectives that the Board has set for implementing the diversity policy, and the progress on achieving the objectives;
- (e) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive, taking into the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future; and
- (f) the chairman or another member of the committee shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the committee's activities and responsibilities.

The authority of our Nomination Committee includes the following:

- (a) to seek any necessary information which is within the Nomination Committee's scope of duties from the Board and the employees;
- (b) to obtain sufficient resources to perform its duties, including the resources for seeking independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;
- (c) to determine the policy for the nomination of directors of the Company;
- (d) to delegate its authority and duties to sub-committees, or individual members of the Nomination Committee, as it deems appropriate;

- (e) to do any such things to enable the Nomination Committee to perform its authority and duties conferred on it by the Board; and
- (f) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

- **Remuneration Committee**

Our Remuneration Committee comprises one (1) Executive Director and two (2) independent non-Executive Directors, being Ms. Liu Jianhong, Mr. Zhang Zhong and Mr. Jesse Zhixi Fang. The chairman of the Remuneration Committee is Mr. Zhang Zhong.

The duties and responsibilities of our Remuneration Committee include the following:

- (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) to make recommendations to the Board on the remuneration of non-executive directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) to review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- (i) to consult the chairman and/or CEO of the Group about their remuneration proposals for other Executive Directors of the Company.

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

The authority of our Remuneration Committee includes the following:

- (a) to seek any necessary information which is within the Remuneration Committee's scope of duties from the Board and employees;

- (b) to be provided with sufficient resources to perform its duties. The Remuneration Committee is authorised by the Board to obtain outside professional advice, and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary;
- (c) to be provided with adequate information in a timely manner to enable it to make informed decision; and
- (d) to do any such things to enable the Remuneration Committee to properly perform its powers and functions.

- **ESG Committee**

The ESG Committee comprises two (2) Executive Directors and two (2) independent non-Executive Directors, being Ms. Liu Jianhong, Mr. Zhai Feng, Mr. Jesse Zhixi Fang and Mr. Chua Pin. The chairman of the ESG Committee is Ms. Liu Jianhong.

The duties of the ESG Committee includes the following:

- (a) to give recommendations about the Group's ESG strategies and identify significant ESG risks and opportunities;
- (b) to approve and review ESG-related policies;
- (c) to monitor the effectiveness of ESG management; and
- (d) to review the ESG report.

Statement on Adequacy of Internal Controls

Our Board has noted that no material weaknesses in the design or operation of the internal control over financial reporting have been raised by the Independent Auditor in the ordinary course of their audit of the financial statements of our Group for each of FY2022, FY2023 and FY2024.

Our Board has also noted that our Group has implemented measures recommended by its internal auditors, the Independent Auditor, or implemented mitigating measures presented to the Independent Auditor, to address the risks arising from the issues identified by the Independent Auditors and Reporting Accountants in relation to our internal control policies and procedures relating to certain financial, operational, compliance and information technology controls reviewed by the Independent Auditor.

Based on the foregoing and the internal controls and risk management systems established and maintained by our Group, work performed by internal and external auditors and reviews performed by management, our Board, with the concurrence of our Audit Committee, is of the opinion that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems of our Group are adequate and effective to address the financial, operational, compliance and information technology risks of our Group.

Opinion of our Audit Committee in relation to Mr. Niu Wenhui

Mr. Niu Wenhui was our CFO and has since been promoted to become our CEO with effect from 3 November 2025. The CFO position is thus presently vacant. In the interim period, Mr. Niu Wenhui will guide our finance team of our Company pending the appointment of a suitable candidate to the CFO position. In considering the suitability of Mr. Niu Wenhui to guide our finance team, our Audit Committee has considered several factors, including the following: (a) his educational and professional qualifications and working experience; (b) his abilities, familiarity and diligence in relation to the financial matters of our Group; (c) the absence of negative feedback from our Independent Auditor; and (d) the interactions of our Audit Committee with Mr. Niu Wenhui.

After making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee to cause them to believe that Mr. Niu Wenhui (in his capacity

as the former CFO and current CEO of our Company providing guidance to our finance team on an interim basis) does not have the competence, character and integrity expected of a chief financial officer of a listed issuer.

Terms of Office

Save as disclosed in the section entitled "*Management and Corporate Governance – Directors and Executive Officers – Directors – Service Agreements with Directors*" of this Introductory Document, our Directors do not currently have a fixed term of office.

Our Directors shall hold office until such time as they retire or are removed from office by ordinary resolution of the Shareholders pursuant to our Memorandum of Association and Bye-Laws. The office of a Director shall be vacated if, among other things, the Director (i) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors; (ii) if he becomes a lunatic or of unsound mind; (iii) if he absents himself from the meetings of the Board during a continuous period of six (6) months, without special leave of absence from our Board, is absent from meetings of the Board, and his alternate director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office; (iv) if he becomes prohibited by law from acting as a Director; (v) if he has been validly required by the relevant stock exchange to cease to be a Director and the relevant time period for application for review of or appeal against such requirement has lapsed and no application for review or appeal has been filed or is underway against such requirement; (vi) if, by notice in writing delivered to our Company at its registered office or at the head office, he resigns his office; or (vii) is removed from office by an ordinary resolution pursuant to our Bye-Laws.

At each annual general meeting, one-third of the Directors then in office (or, if their number is not three (3) or a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three (3) years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those, who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

We have also entered into a letter of appointment or letter of consent with each of the non-executive Director and independent non-executive Directors. Pursuant to such letters of appointment, they are subject to retirement by rotation and re-election at the annual general meetings of our Company in accordance with our Memorandum of Association and Bye-Laws.

LEGAL REPRESENTATIVES

Identity of Legal Representatives of our Principal Subsidiaries in the PRC

The legal representative of each of our Principal Subsidiaries in the PRC are as follows:

Principal Subsidiary in the PRC	Name of the Legal Representative	Designation
Century Concord Wind Power Investment Co., Ltd. (协合风电投资有限公司)	Mr. Wang Xigang (王锡钢)	Chairman of the board of directors, general manager
Fuxin Mongolian Autonomous County Xingda Wind Power Co., Ltd. (阜新蒙古族自治县兴达风力发电有限公司)	Mr. Xie Jianmin (谢建民)	Executive director

Haotai New Energy Equipment Ltd.(浩泰新能源装备有限公司)	Ms. Fu Rao (付饶)	Director, general manager
Jilin Century Concord Wind Power Investment Co., Ltd. (吉林协合风力发电投资有限公司)	Mr. Xie Jianmin (谢建民)	Executive director
Jilin Tongyu Century Concord Xinfu Wind Power Co., Ltd. (吉林通榆协合新发风力发电有限公司)	Mr. Wang Songtao (王松涛)	Executive director, general manager
Jingmen Lixi Wind Power Co., Ltd. (荆门栗溪风力发电有限公司)	Mr. Lu Hao (卢昊)	Executive director
Kaiyuan Julong New Energy Development Co., Ltd. (开远聚隆新能源开发有限公司)	Mr. Lu Hao (卢昊)	Director
Shizong Juhe Wind Power Co., Ltd. (师宗聚合风力发电有限公司)	Mr. Wang Xigang (王锡钢)	Executive director
Suzhou Deren Wind Power Co., Ltd. (宿州德仁风力发电有限公司)	Mr. Liu Dongyan (刘冬岩)	Chairman of the board of directors
Wuhe Juhe Wind Power Co., Ltd. (五河聚合风力发电有限公司)	Ms. Yang Xiaohong (杨小红)	Executive director
Yongzhou Jiepai Century Concord Wind Power Co., Ltd. (永州界牌协合风力发电有限公司)	Mr. Liu Dongyan (刘冬岩)	Executive director
Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd. (永州桥头铺协合风力发电有限公司)	Mr. Liu Dongyan (刘冬岩)	Executive director

Powers and Duties of Legal Representatives

In accordance with applicable PRC laws, each of the above legal representatives has the powers to act as representative of that Principal Subsidiary in the PRC and to execute contracts on behalf of that Principal Subsidiary in the PRC, with or without the company seal. The Principal Subsidiaries in the PRC have appointed legal representatives as required by the PRC laws, who are given the powers to represent, exercise rights and enter into binding obligations on behalf of the Principal Subsidiaries in the PRC under the PRC laws.

Appointment and Removal of Legal Representatives

Under the applicable PRC laws, the legal representative shall be appointed and removed in accordance with PRC laws and the articles of association of the company; where the executive body of a legal

person is the board of directors or the executive director, the legal representative shall be the director, or the manager as is stipulated in the articles of association of the company. Further, the director shall be appointed by the shareholders and the general manager shall be appointed by the board or the executive director. Therefore, the legal representative can be appointed and removed by the shareholders or through the appointed board or director, with or without the legal representative's consent.

Principal Subsidiaries in the PRC

Based on the above and the articles of association of each of our Principal Subsidiaries in the PRC, each of their respective shareholder(s) shall be able to, either directly or indirectly, control the appointment and dismissal of the respective legal representatives of our Principal Subsidiaries in the PRC.

Measures Implemented by our Group

Considering the impact in the event that a legal representative represents any of our Principal Subsidiaries in the PRC without having obtained prior authorisation, our Group has implemented the following measures:

- (a) the implementation of internal control systems to ensure proper authorisation as to delegation of authority and to ensure that payments require proper approvals;
- (b) the implementation of measures to safeguard the corporate seal, finance seal, legal seal and cheque books in each of our Principal Subsidiaries in the PRC such as the safekeeping of such documents and items by dedicated personnel in accordance with our seal management system; and
- (c) safekeeping of the originals of the business licences of each of our Principal Subsidiaries in the PRC by dedicated personnel at our Group's headquarters in charge of safekeeping the licences in accordance with our licences management system.

Based on the above, our Directors are of the view, on the basis of our PRC Legal Adviser to the Company's advice, that the procedures in place to appoint and remove the legal representatives of our Principal Subsidiaries in the PRC are adequate to mitigate the risks in relation to the appointment of legal representatives and safeguard the interests of our Group. Our Audit Committee will monitor and periodically review the processes and procedures in relation to the appointment and removal of the legal representatives of our Principal Subsidiaries to ensure their effectiveness and robustness.

SHARE OWNERSHIP

DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN OUR SHARES AND UNDERLYING SHARES OF OUR COMPANY

As at 31 December 2022

Interests of Directors and chief executive of our Company

As at 31 December 2022, the interests and short positions of our Directors and chief executive of our Company in our Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Hong Kong Listing Rules (the "**Model Code**"), were as follows:

Long positions in the Shares of our Company

Number of ordinary shares held, capacity and nature of interest					
Name of Director	Personal	Family	Corporate	Total	Approximate percentage of the total issued share capital (%)
Mr. Liu Shunxing (刘顺兴)	37,500,000	—	1,733,724,242 ⁽¹⁾	1,771,224,242 ⁽¹⁾	19.73
Ms. Liu Jianhong (刘建红)	29,710,000	—	150,000,000 ⁽²⁾	179,710,000 ⁽²⁾	2.00
Mr. Niu Wenhui (牛文辉)	16,000,000	—	—	16,000,000	0.18
Mr. Zhai Feng (翟锋)	4,000,000	—	—	4,000,000	0.04
Ms. Shang Jia (尚佳)	8,000,000	—	—	8,000,000	0.09
Mr. Yap Fat Suan, Henry (叶发旋)	3,000,000	—	—	3,000,000	0.03
Ms. Huang Jian (黄简)	2,800,000	—	—	2,800,000	0.03
Mr. Jesse Zhixi Fang (方之熙)	2,800,000	—	—	2,800,000	0.03
Mr. Zhang Zhong (张忠)	2,800,000	—	—	2,800,000	0.03

Long positions in share options of our Company

Name of Directors	Number of share options directly

	beneficially owned
Mr. Liu Shunxing (刘顺兴)	-
Ms. Liu Jianhong (刘建红)	-
Mr. Niu Wenhui (牛文辉)	-
Mr. Zhai Feng (翟锋)	-
Ms. Shang Jia (尚佳)	-
Mr. Yap Fat Suan, Henry (叶发旋)	-
Ms. Huang Jian (黄简)	-
Mr. Jesse Zhixi Fang (方之熙)	-
Mr. Zhang Zhong (张忠)	-

Notes:

- (1) 1,002,877,155 Shares are held by China Wind Power Investment Limited ("CWPI") and 730,847,087 Shares are held by Splendor Power Limited. CWPI is wholly-owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.8% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited) and held 99.0% of the issued shares in Splendor Power Limited. Mr. Liu Shunxing beneficially holds 37,500,000 Shares in his personal capacity.
- (2) 150,000,000 Shares are held by a discretionary trust for which Ms. Liu Jianhong is the founder and settlor, and Ms. Liu Jianhong beneficially holds 29,710,000 Shares in her personal capacity.

Save for the above and to the knowledge of our Company, as at 31 December 2022, none of our Directors or chief executive of our Company and/or any of their respective associates had any interest or short position in our Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company under section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to Part XV of the SFO or the Model Code.

Save as disclosed above, at no time during FY2022 did our Directors or chief executive of our Company (including their spouses and children under the age of 18) have any interests in or were they granted any right to subscribe for the Shares of our Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any of such rights, required to be disclosed under the SFO.

Interests of substantial shareholders of our Company and other persons who are required to disclose their interests under the SFO

As at 31 December 2022, the following persons (other than a Director or the chief executive of our Company) had interests or short positions in our Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE as follows:

Long Positions

Name	Number of ordinary shares held	Approximate percentage of the total issued share capital (%)
CWPI ⁽¹⁾	1,002,877,155	11.17
Huadian New Energy (华电新能源)	880,000,000	9.80
Splendor Power Limited ⁽²⁾	730,847,087	8.14

Notes:

- (1) CWPI is wholly owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.8% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited).
- (2) Mr. Liu Shunxing held 99.0% of the issued shares in Splendor Power Limited.

Save as disclosed above, as at 31 December 2022, no person (other than our Directors or chief executive of our Company, whose interests are set out in the above) had registered an interest or short position in our Shares or underlying Shares that was required to be recorded in the register maintained pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE.

As at 31 December 2023

Interests of Directors and chief executive of our Company

As at 31 December 2023, the interests and short positions of our Directors and chief executive of our Company in our Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to the Model Code, were as follows:

Long positions in the shares of our Company

Name of Director	Number of ordinary shares held, capacity and nature of interest				Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate	Total	
Mr. Liu Shunxing (刘顺兴)	37,500,000	—	1,754,714,242 ⁽¹⁾	1,792,214,242 ⁽¹⁾	21.22
Ms. Liu Jianhong (刘建红)	29,710,000	—	150,000,000 ⁽²⁾	179,710,000 ⁽²⁾	2.13
Mr. Niu Wenhui (牛文辉)	16,000,000	—	—	16,000,000	0.19
Mr. Zhai Feng (翟锋)	4,000,000	—	—	4,000,000	0.05
Ms. Shang Jia (尚佳)	8,000,000	—	—	8,000,000	0.09
Mr. Yap Fat Suan, Henry (叶发旋) ⁽³⁾	3,000,000	—	—	3,000,000	0.04
Ms. Huang Jian (黄简)	2,800,000	—	—	2,800,000	0.03
Mr. Jesse Zhixi Fang (方之熙)	2,800,000	—	—	2,800,000	0.03
Mr. Zhang Zhong (张忠)	2,800,000	—	—	2,800,000	0.03

Long positions in share options of our Company

Name of Directors	Number of share options directly beneficially owned
Mr. Liu Shunxing (刘顺兴)	-
Ms. Liu Jianhong (刘建红)	-
Mr. Niu Wenhui (牛文辉)	-

Mr. Zhai Feng (翟鋒)	-
Ms. Shang Jia (尚佳)	-
Mr. Yap Fat Suan, Henry (叶发旋)	-
Ms. Huang Jian (黄简)	-
Mr. Jesse Zhixi Fang (方之熙)	-
Mr. Zhang Zhong (张忠)	-

Notes:

- (1) 1,002,877,155 Shares are held by CWPI and 751,837,087 Shares are held by Splendor Power Limited. CWPI is wholly-owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.8% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited) and held 99.0% of the issued shares in Splendor Power Limited. Mr. Liu Shunxing beneficially holds 37,500,000 Shares in his personal capacity.
- (2) 150,000,000 Shares are held by a discretionary trust for which Ms. Liu Jianhong is the founder and settlor, and Ms. Liu Jianhong beneficially holds 29,710,000 Shares in her personal capacity.
- (3) Mr. Yap Fat Suan, Henry resigned as an independent non-executive Director and the Chairman of the Audit Committee on 18 December 2023.

Save for the above and to the knowledge of our Company, as at 31 December 2023, none of our Directors or chief executive of our Company and/or any of their respective associates had any interest or short position in our Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company under section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to Part XV of the SFO or the Model Code.

Save as disclosed above, at no time during FY2023 did our Directors or chief executive of our Company (including their spouses and children under the age of 18) have any interests in or were they granted any right to subscribe for the Shares of our Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any of such rights, required to be disclosed under the SFO.

Interests of substantial shareholders of our Company and other persons who are required to disclose their interests under the SFO

As at 31 December 2023, the following persons (other than a Director or the chief executive of our Company) had interests or short positions in our Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE as follows:

Long Positions

Name	Number of ordinary shares held	Approximate percentage of the total issued share capital (%)
CWPI ⁽¹⁾	1,002,877,155	11.88
Huadian New Energy (华电新能源)	880,000,000	10.42
Splendor Power Limited ⁽²⁾	751,837,087	8.90

Notes:

- (1) CWPI is wholly owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.8% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited).
- (2) Mr. Liu Shunxing held 99.0% of the issued shares in Splendor Power Limited.

Save as disclosed above, as at 31 December 2023, no person (other than our Directors or chief executive of our Company, whose interests are set out in the above) had registered an interest or short position in our Shares or underlying Shares that was required to be recorded in the register maintained

pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE.

As at 31 December 2024

Interests of Directors and chief executive of our Company

As at 31 December 2024, the interests and short positions of our Directors and chief executive of our Company in our Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to the Model Code, were as follows:

Long positions in the shares of our Company

Number of ordinary shares held, capacity and nature of interest					
Name of Director	Personal	Family	Corporate	Total	Approximate percentage of the total issued share capital (%)
Mr. Liu Shunxing (刘顺兴)	37,500,000	—	1,754,714,242 ⁽¹⁾	1,792,214,242 ⁽¹⁾	22.45
Ms. Liu Jianhong (刘建红)	29,710,000	—	150,000,000 ⁽²⁾	179,710,000 ⁽²⁾	2.25
Mr. Niu Wenhui (牛文辉)	16,000,000	—	—	16,000,000	0.20
Mr. Zhai Feng (翟锋)	4,000,000	—	—	4,000,000	0.05
Ms. Shang Jia (尚佳)	8,000,000	—	—	8,000,000	0.10
Mr. Chan Kam Kwan, Jason (陈锦坤) ⁽³⁾	3,800,000	—	—	3,800,000	0.05
Ms. Huang Jian (黄简)	2,800,000	—	—	2,800,000	0.04
Mr. Jesse Zhixi Fang (方之熙)	2,800,000	—	—	2,800,000	0.04
Mr. Zhang Zhong (张忠)	2,800,000	—	—	2,800,000	0.04

Long positions in share options of our Company

Name of Directors	Number of share options directly beneficially owned
Mr. Liu Shunxing (刘顺兴)	-
Ms. Liu Jianhong (刘建红)	-
Mr. Niu Wenhui (牛文辉)	-
Mr. Zhai Feng (翟锋)	-
Ms. Shang Jia (尚佳)	-

Mr. Chan Kam Kwan, Jason (陈锦坤)	-
Mr. Wang Feng (王峰)	-
Ms. Huang Jian (黄简)	-
Mr. Jesse Zhixi Fang (方之熙)	-
Mr. Zhang Zhong (张忠)	-
Ms. Li Yongli (李永丽)	-
Mr. Chua Pin (蔡斌)	-

Notes:

- (1) 1,002,877,155 Shares are held by CWPI and 751,837,087 Shares are held by Splendor Power Limited. CWPI is wholly-owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.8% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited) and held 99.0% of the issued shares in Splendor Power Limited. Mr. Liu Shunxing beneficially holds 37,500,000 Shares in his personal capacity.
- (2) 150,000,000 Shares are held by a discretionary trust for which Ms. Liu Jianhong is the founder and settlor, and Ms. Liu Jianhong beneficially holds 29,710,000 Shares in her personal capacity.
- (3) On 26 April 2024, Mr. Chan Kan Kwan Jason was appointed as an Executive Director.

Save for the above and to the knowledge of our Company, as at 31 December 2024, none of the Directors or chief executive of our Company and/or any of their respective associates had any interest or short position in our Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company under section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to Part XV of the SFO or the Model Code.

Save as disclosed above, at no time during FY2024 did our Directors or chief executive of our Company (including their spouses and children under the age of 18) have any interests in or were they granted any right to subscribe for our Shares of our Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any of such rights, required to be disclosed under the SFO.

Interests of substantial shareholders of our Company and other persons who are required to disclose their interests under the SFO

As at 31 December 2024, the following persons (other than a Director or the chief executive of our Company) had interests or short positions in our Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE as follows:

Long Positions

Name	Number of ordinary shares held	Approximate percentage of the total issued share capital (%)
CWPI ⁽¹⁾	1,002,877,155	12.56
Huadian New Energy (华电新能源)	880,000,000	11.02
Splendor Power Limited ⁽²⁾	751,837,087	9.42

Notes:

- (1) CWPI is wholly owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.8% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited).
- (2) Mr. Liu Shunxing held 99.0% of the issued shares in Splendor Power Limited.

Save as disclosed above, as at 31 December 2024, no person (other than our Directors or chief

executive of our Company, whose interests are set out in the above) had registered an interest or short position in our Shares or underlying Shares that was required to be recorded in the register maintained pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE.

As at 30 June 2025

Interests of Directors and chief executive of our Company

As at 30 June 2025, the interests and short positions of our Directors and chief executive of our Company in our Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to the Model Code, were as follows:

Long positions in the shares of our Company

Name of Director	Approximate percentage of the total issued share capital				Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate	Total	
Mr. Liu Shunxing (刘顺兴)	37,500,000	—	1,754,714,242 ⁽¹⁾	1,792,214,242 ⁽¹⁾	22.75
Ms. Liu Jianhong (刘建红)	29,710,000	—	150,000,000 ⁽²⁾	179,710,000 ⁽²⁾	2.28
Mr. Niu Wenhui (牛文辉)	16,000,000	—	—	16,000,000	0.20
Mr. Zhai Feng (翟锋)	4,000,000	—	—	4,000,000	0.05
Ms. Shang Jia (尚佳)	8,000,000	—	—	8,000,000	0.10
Mr. Chan Kam Kwan, Jason (陈锦坤)	3,800,000	—	—	3,800,000	0.05
Ms. Huang Jian (黄简)	2,800,000	—	—	2,800,000	0.04
Mr. Jesse Zhixi Fang (方之熙)	2,600,000	—	—	2,600,000	0.03
Mr. Zhang Zhong (张忠)	2,800,000	—	—	2,800,000	0.04

Long positions in share options of our Company

Name of Directors	Number of share options directly beneficially owned
Mr. Liu Shunxing (刘顺兴)	-
Ms. Liu Jianhong (刘建红)	-
Mr. Niu Wenhui (牛文辉)	-
Mr. Zhai Feng (翟锋)	-

Ms. Shang Jia (尚佳)	-
Mr. Chan Kam Kwan, Jason (陈锦坤)	-
Mr. Wang Feng (王峰)	-
Ms. Huang Jian (黄简)	-
Mr. Jesse Zhixi Fang (方之熙)	-
Mr. Zhang Zhong (张忠)	-
Ms. Li Yongli (李永丽)	-
Mr. Chua Pin (蔡斌)	-

Notes:

- (1) 1,002,877,155 Shares are held by CWPI and 751,837,087 Shares are held by Splendor Power Limited. CWPI is wholly-owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.8% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited) and held 99.0% of the issued shares in Splendor Power Limited. Mr. Liu Shunxing beneficially holds 37,500,000 Shares in his personal capacity.
- (2) 150,000,000 Shares are held by a discretionary trust for which Ms. Liu Jianhong is the founder and settlor, and Ms. Liu Jianhong beneficially holds 29,710,000 Shares in her personal capacity.

Save for the above and to the knowledge of our Company, as at 30 June 2025, none of the Directors or chief executive of our Company and/or any of their respective associates had any interest or short position in our Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company under section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to Part XV of the SFO or the Model Code.

Save as disclosed above, at no time during the six (6)-month period ended 30 June 2025 did our Directors or chief executive of our Company (including their spouses and children under the age of 18) have any interests in or were they granted any right to subscribe for the Shares of our Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any of such rights, required to be disclosed under the SFO.

Interests of substantial shareholders of our Company and other persons who are required to disclose their interests under the SFO

As at 30 June 2025, the following persons (other than a Director or the chief executive of our Company) had interests or short positions in our Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE as follows:

Long Positions

Name	Number of ordinary shares held	Approximate percentage of the total issued share capital (%)
CWPI ⁽¹⁾	1,002,877,155	12.73
Huadian New Energy (华电新能源)	880,000,000	11.17
Splendor Power Limited ⁽²⁾	751,837,087	9.54

Notes:

- (1) CWPI is wholly owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.8% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited).
- (2) Mr. Liu Shunxing held 99.0% of the issued shares in Splendor Power Limited.

Save as disclosed above, as at 30 June 2025, no person (other than our Directors or chief executive of our Company, whose interests are set out in the above) had registered an interest or short position in

our Shares or underlying Shares that was required to be recorded in the register maintained pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE.

As at the Latest Practicable Date

Interests of Directors and chief executive of our Company

As at the Latest Practicable Date, the interests and short positions of our Directors and chief executive of our Company in our Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company pursuant to Section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to the Model Code, were as follows:

Long positions in ordinary shares of our Company

Number of ordinary shares held, capacity and nature of interest					
Name of Director	Personal	Family	Corporate	Total	Approximate percentage of the total issued share capital (%)
Mr. Liu Shunxing (刘顺兴)	37,500,000	—	1,774,714,242 ⁽¹⁾	1,812,214,242 ⁽¹⁾	23.00
Ms. Liu Jianhong (刘建红)	29,710,000	—	150,000,000 ⁽²⁾	179,710,000 ⁽²⁾	2.28
Mr. Niu Wenhui (牛文辉)	16,000,000	—	—	16,000,000	0.20
Mr. Zhai Feng (翟锋)	4,000,000	—	—	4,000,000	0.05
Ms. Shang Jia (尚佳)	8,000,000	—	—	8,000,000	0.10
Mr. Chan Kam Kwan, Jason (陈锦坤)	3,800,000	—	—	3,800,000	0.05
Ms. Huang Jian (黄简)	3,800,000	—	—	3,800,000	0.05
Mr. Jesse Zhixi Fang (方之熙)	2,600,000	—	—	2,600,000	0.03
Mr. Zhang Zhong (张忠)	2,800,000	—	—	2,800,000	0.04

Long positions in share options of our Company

Name of Directors	Number of share options directly beneficially owned
Mr. Liu Shunxing (刘顺兴)	-
Ms. Liu Jianhong (刘建红)	-
Mr. Niu Wenhui (牛文辉)	-
Mr. Zhai Feng (翟锋)	-

Ms. Shang Jia (尚佳)	-
Mr. Chan Kam Kwan, Jason (陈锦坤)	-
Mr. Wang Feng (王峰)	-
Ms. Huang Jian (黄简)	-
Mr. Jesse Zhixi Fang (方之熙)	-
Mr. Zhang Zhong (张忠)	-
Ms. Li Yongli (李永丽)	-
Mr. Chua Pin (蔡斌)	-

Notes:

- (1) 1,002,877,155 Shares are held by CWPI and 771,837,087 Shares are held by Splendor Power Limited. CWPI is wholly-owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.8% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited) and held 99.0% of the issued shares in Splendor Power Limited. Mr. Liu Shunxing beneficially holds 37,500,000 Shares in his personal capacity.
- (2) 150,000,000 Shares are held by a discretionary trust for which Ms. Liu Jianhong is the founder and settlor and Ms. Liu Jianhong beneficially holds 29,710,000 Shares in her personal capacity.

Save for the above and to the knowledge of the Company, as at the Latest Practicable Date, none of our Directors or chief executive of our Company and/or any of their respective associates had any interest or short position in our Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company under section 352 of the SFO, or as otherwise notified to our Company and the HKSE pursuant to Part XV of the SFO or the Model Code.

Save as disclosed above, at no time during the period from 1 July 2025 up to the Latest Practicable Date did our Directors or chief executive of our Company (including their spouses and children under the age of 18) have any interests in or were they granted any right to subscribe for the shares of our Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any of such rights, required to be disclosed under the SFO.

Interests of substantial shareholders of our Company and other persons who are required to disclose their interests under the SFO

As at the Latest Practicable Date, the following persons (other than a Director or the chief executive of our Company) had interests or short positions in our Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE as follows:

Long Positions

Name	Number of ordinary shares held	Approximate percentage of the total issued share capital (%)
CWPI ⁽¹⁾	1,002,877,155	12.73
Huadian New Energy (华电新能源)	876,000,000	11.12
Splendor Power Limited ⁽²⁾	771,837,087	9.80

Notes:

- (1) CWPI is wholly owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.77% of the issued shares in CNE Group Limited (formerly known as Permanent Growth Limited).
- (2) Mr. Liu Shunxing held 99% of the issued shares in Splendor Power Limited.

Save as disclosed above, as at the Latest Practicable Date, no person (other than our Directors or chief executive of our Company, whose interests are set out in the above) had registered an interest or short

position in our Shares or underlying Shares that was required to be recorded in the register maintained pursuant to Section 336 of the SFO or otherwise notified to our Company and/or the HKSE.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

The following table sets out the significant changes in the shareholding of our Directors and substantial shareholders in our Company in the past three (3) years up to the Latest Practicable Date based on public disclosures on the HKSE website available as at the Latest Practicable Date. Save as disclosed below, based on public disclosures on the HKSE website available as at the Latest Practicable Date, there were no significant changes in the percentage of ownership of our Company in the past three (3) years up to the Latest Practicable Date.

Name of Shareholder/ Director	Percentage of Shareholding in our Company (%) ⁽¹⁾				
	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025	As of the Latest Practicable Date
Mr. Liu Shunxing (刘顺兴)	19.73	21.22	22.45	22.75	23.00
Ms. Liu Jianhong (刘建红)	2.00	2.13	2.25	2.28	2.28
Mr. Niu Wenhui (牛文辉)	0.18	0.19	0.20	0.20	0.20
Mr. Zhai Feng (翟锋)	0.04	0.05	0.05	0.05	0.05
Ms. Shang Jia (尚佳)	0.09	0.09	0.10	0.10	0.10
Mr. Chan Kam Kwan, Jason (陈锦坤) ⁽²⁾	-	-	0.05	0.05	0.05
Mr. Wang Feng (王峰)	-	-	-	-	-
Mr. Yap Fat Suan, Henry (叶发旋) ⁽³⁾	0.03	0.04	-	-	-
Ms. Huang Jian (黄简)	0.03	0.03	0.04	0.04	0.05
Mr. Jesse Zhixi Fang (方之熙)	0.03	0.03	0.04	0.03	0.03
Mr. Zhang Zhong (张忠)	0.03	0.03	0.04	0.04	0.04
Ms. Li Yongli (李永丽)	-	-	-	-	-
Mr. Chua Pin (蔡斌)	-	-	-	-	-
CWPI ⁽⁴⁾	11.17	11.88	12.56	12.73	12.73
Huadian New Energy (华电新能源)	9.80	10.42	11.02	11.17	11.12
Splendor Power Limited ⁽⁵⁾	8.14	8.90	9.42	9.54	9.80

Notes:

(1) Rounded to two (2) decimal places.

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

- (3) Mr. Yap Fat Suan, Henry resigned as an independent non-Executive Director and the Chairman of the Audit Committee on 18 December 2023.
- (4) CWPI is wholly owned by CNE Group Limited (formerly known as Permanent Growth Limited). Mr. Liu Shunxing held 46.77% of the issued shares in CNE Group Limited.
- (5) Mr. Liu Shunxing held 99% of the issued shares in Splendor Power Limited.

The Shares of our Company held by our Directors and substantial shareholders do not carry different voting rights from any other Shares of our Company.

To our knowledge, save as disclosed in the sections entitled "*Share Ownership – Directors, Chief Executive and Substantial Shareholders' Interests and Short Positions in Our Shares and Underlying Shares of Our Company*" and "*Share Ownership – Significant Changes in Percentage of Ownership*" of this Introductory Document, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any person or government.

We are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of our Company, or any contractual undertakings for any of our Shareholders to observe a moratorium on the transfer or disposal of his or her interest in our Shares.

None of our Directors or Executive Officers have, or have the right to be given, an option to subscribe for or purchase any securities or securities-based derivatives contracts of our Company as at the Latest Practicable Date.

Save as disclosed above and in the section entitled "*Management and Corporate Governance – Compensation of Directors and Executive Officers*" of this Introductory Document, no securities or securities-based derivatives contracts were issued or agreed to be issued by our Company for a consideration other than cash during the last three (3) years preceding the Latest Practicable Date.

There are no Shares in our Company that are held by or on behalf of our Company or by the subsidiaries of our Company.

DESCRIPTION OF SHARE CAPITAL

OVERVIEW

Our Company was incorporated as an exempted company with limited liability in Bermuda on 27 June 1997 under the Bermuda Companies Act.

As at the Latest Practicable Date, our authorised share capital is HK\$125,000,000 divided into 10,000,000,000 Shares with a par value of HK\$0.01 each and 2,500,000,000 preference shares with a par value of HK\$0.01 each, and our issued and paid-up capital is HK\$78,776,791.58 divided into 7,877,679,158 Shares, each with a par value of HK\$0.01. All of our 7,877,679,158 issued Shares are currently listed on the HKSE. There is only one (1) class of shares in the capital of our Company, being the Shares.

The table below sets out the share capital and the number of Shares outstanding as at the beginning and end of the most recently completed financial year, being 1 January 2024 and 31 December 2024 respectively:

	Number of Shares in issue	Issued capital (RMB'000)	Treasury shares (RMB'000)	Share premium account (RMB'000)	Total (RMB'000)
As at 1 January 2024	8,444,719,158	72,598	-218,966	413,851	267,483
As at 31 December 2024	7,982,039,158	68,390	-30,037	173,992	212,345

SUMMARY OF SELECTED PROVISIONS OF OUR MEMORANDUM OF ASSOCIATION AND BYE-LAWS

The following is a summary of material provisions of our Memorandum of Association and Bye-Laws in relation to our share capital. The Bermuda Companies Act differs from laws applicable to Singapore companies and their shareholders. A comparison of certain aspects of the Bermuda Companies Act applicable to us and the Singapore Companies Act applicable to Singapore companies is set forth in the section entitled "*Appendix C – Comparison of Selected Bermuda Corporate Law Provisions and Singapore Corporate Law Provisions*" to this Introductory Document. The summary below does not purport to be complete and is qualified in its entirety by reference to our Memorandum of Association and Bye-Laws and the applicable provisions of the Bermuda Companies Act.

Objects of Our Company

The Memorandum of Association states, *inter alia*, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the Company is an exempted company as defined in the Bermuda Companies Act. The Memorandum of Association also sets out the objects for which the Company was formed, which are unrestricted, and that the Company has the capacity, rights, powers and privileges of a natural person. As an exempted company, the Company will be carrying on business outside Bermuda from a place of business within Bermuda.

Voting Rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Bye-Laws, at any general meeting on a show of hands every shareholder who is present in person or, in the case of a shareholder being a corporation by a duly authorised corporate representative, or by proxy shall have one (1) vote, and on a poll every shareholder present in person or, in the case of a shareholder being a corporation by a duly authorised corporate representative, or by proxy shall have one (1) vote for every share of which he/it is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of the Bye-Laws as paid up on the share).

A member entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

If a clearing house (or its nominee) is a shareholder of the Company, it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or representatives, to the extent permitted by the Bermuda Companies Act, at any meeting of the Company or at any meeting of any class of shareholders of the Company provided that, if more than one (1) proxy or, corporate representative is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy or corporate representative is so appointed. A person so appointed under the provisions of the Bye-Laws shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise as if it were an individual shareholder including the right to speak and to vote and, where a show of hands is allowed, the right to vote individually on a show of hands.

There are no limitations under the laws of Bermuda or our Memorandum of Association and Bye-Laws on the right of non-Bermudians or non-residents of Bermuda to hold or vote our Shares in accordance with the Bye-Laws. Under the Bye-Laws, all shareholders have the right to speak and vote at a general meeting except where a shareholder is required to abstain from voting to approve the matter under consideration.

Where the Company has any knowledge that any shareholder is required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Dividends

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board. The Company in general meeting may also make a distribution to its members out of contributed surplus (as ascertained in accordance with the Bermuda Companies Act). No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of the Bye-Laws no amount paid on a share in advance of calls shall be treated as paid on the share.

The Board may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Board may also deduct from any dividend or other money payable to any shareholder all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be

satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six (6) years after having been declared may be forfeited by the Board and shall revert to the Company.

Election, Removal and Remuneration of Directors

(i) Appointment, retirement and removal

At each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three (3), then the number nearest to but not less than one-third) will retire from office by rotation provided that every Director shall be subject to retirement at least once every three (3) years. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director 14 days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There is no maximum number of Directors unless otherwise determined from time to time by members of the Company.

There is no shareholding qualification for Directors nor is there any provisions relating to retirement of Directors upon reaching any age limit.

The Board may from time to time appoint any one (1) or more of its body to the office of managing director, joint managing director, deputy managing director or other executive director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with the Bye-Laws. Every Director so appointed shall, but without prejudice to any claim for damages for breach of any contract of service between himself and the Company, be liable to be dismissed or removed there from by the Board.

The Board may delegate any of its powers to committees consisting of such member or members of its body and such other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Remuneration

The Directors shall be entitled to receive by way of remuneration for their services as Directors such sum as shall from time to time be determined by the Company in general meeting, such remuneration (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director holding office for less than the whole of the relevant period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office.

The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from Board meetings, committee meetings or general meetings or otherwise incurred whilst engaged in the business of the Company or in the discharge of their duties as Directors.

The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as the Board may determine.

The remuneration of a managing director, joint managing director, deputy managing director or an Executive Director or a Director appointed to any other office in the management of the Company may from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds or personal pension plans for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, or holding or who have held by salaried employment or office in the Company or such other company, and the spouses, widows, widowers, families and dependants of any such persons.

The Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one (1) or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the shareholders at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the shareholders at a general meeting.

(iii) Compensation or payments for loss of office

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

General Meetings of shareholders

(i) Special resolution

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or, in the case of a shareholder which is corporation, by its duly authorised representative or, where proxies are allowed, by proxy, at a general meeting of which notice has been duly given in accordance with Bye-Law (see below for further details).

(ii) Annual general meetings and special general meetings

Subject to the Bermuda Companies Act, an annual general meeting of the Company must be held in each financial year and such general meeting must be held with six (6) months after the end of the Company's financial year unless a longer period would not infringe the rules of the relevant stock exchange.

Special general meetings may be convened on the requisition of one (1) or more shareholders holding, at the date of deposit of the requisition, not less than 10 per cent. of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in accordance with Section 74(3) of the Bermuda Companies Act.

(iii) Notices of meetings and business to be conducted thereat

An annual general meeting and a meeting called for the passing of a special resolution must be called by notice of not less than 21 clear days. All other general meetings (including a special general meeting) must be called by notice of at least 14 clear days. The notice must specify, among other things, the day and the hour of the meeting, particulars of resolutions to be considered at the meeting and in the case of special business, the general nature of that business and other details subject to the mode of general meeting. The notice convening an annual general meeting shall specify the meeting as such.

Any notice to be given to or by any person pursuant to the Bye-Laws may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers including newspapers published daily and circulating generally in Hong Kong and in accordance with the requirements of the relevant stock exchange. Subject to compliance with Bermuda law and the rules of the relevant stock exchange, notice may also be served or delivered by the Company to any member by electronic means.

(iv) Quorum for meetings and separate class meetings

For all purposes the quorum for a general meeting shall be two (2) members present in person or (in the case of a member being a corporation) by its duly authorised representative or by proxy or, for quorum purposes only, two (2) persons appointed by the clearing house as authorised representative or proxy, and entitled to vote. In respect of a separate class meeting convened to sanction the modification of class rights the necessary quorum shall be two (2) persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(v) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two (2) or more shares may appoint more than one (1) proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

Transfer of Shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the stock exchange in the relevant territory or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. The Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Bermuda Companies Act.

The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share option scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share (whether fully paid up or not) to more than four (4) joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as the Board may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one (1) class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register of members closed, on giving notice by advertisement in an appointed newspaper and in the newspapers or by any electronic means in such manner as may be accepted by the stock exchange in the relevant territory, at such times and for such periods as the Board may from time to time determine and either generally or in respect of any class of shares, provided that the register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

Liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the shareholders in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the shareholders in proportion to the capital paid up on the shares held by them respectively.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the sanction of a special resolution and any other sanction required by the Bermuda Companies Act, divide among the shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one (1) kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one (1) or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator, with the like sanction, shall think fit, but so that no shareholders shall be compelled to accept any shares or other property in respect of which there is a liability.

Calls on Shares and Forfeiture of Shares

The Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may fix from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.

The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than 14 clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

Repurchase, Redemption and Surrender of Shares

(i) Power for the Company to purchase its own shares

The power of the Company to purchase its own shares is exercisable by the Board upon such terms and conditions as it thinks fit.

(ii) Power to allot and issue shares and warrants

Without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares, any share may be issued upon such terms and conditions and with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the

absence of any such de termination or so far as the same may not make specific provision, as the Board may determine) and any preference share may, subject to the Bermuda Companies Act and with the sanction of a special resolution, be issued on the terms that it is liable to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company or, if so authorised by the memorandum of association, at the option of the holder.

The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

All unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Variation of Rights of Shares

If at any time the capital is divided into different classes of shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the shares of that class) may, subject to the provisions of the Bermuda Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Bye-Laws relating to general meetings shall mutatis mutandis apply, but so that (i) the necessary quorum (including at an adjourned meeting or postponed meeting) shall be not less than two (2) persons (or, in the case of a shareholder being a corporation, by its duly authorised representative) holding or representing by proxy one-third in nominal value of the issued shares of that class; and (ii) any holder of shares of the class present in person (or, in the case of a shareholder being a corporation, by a duly authorised representative) or by proxy may demand a poll.

Alteration of Capital

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Bermuda Companies Act:

- (i) increase its share capital by the creating of new shares;
- (ii) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing;
- (iii) divide its shares into several classes;
- (iv) sub divide its shares or any of them into shares of smaller amount than is fixed by the memorandum of association;
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled;
- (vi) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (vii) change the currency denomination of its share capital.

The Company may by special resolution, subject to any confirmation or consent required by law, reduce its issued share capital, any capital redemption reserve fund or, save for the use of share premium as expressly permitted by the Bermuda Companies Act, any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by law.

HISTORY OF SHARE CAPITAL

ISSUED AND FULLY PAID CAPITAL AS AT 31 DECEMBER OF THE THREE (3) YEARS PRECEDING THE LATEST PRACTICABLE DATE

The following table sets forth the issued and fully paid share capital of our Company, and the issued and fully paid share capital or registered capital (as the case may be) of each of our Principal Subsidiaries, as at 31 December of the three (3) years preceding the Latest Practicable Date⁽¹⁾.

Our Company and Principal Subsidiaries	Issued and Fully Paid Share Capital / Registered Capital		
	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024
Our Company	HK\$89,754,691.58	HK\$84,447,191.58	HK\$79,820,391.58
Century Concord Wind Power Investment Co., Ltd. (协合风电投资有限公司)	RMB3,100,000,000	RMB3,444,450,000	RMB3,444,450,000
Fuxin Mongolian Autonomous County Xingda Wind Power Co., Ltd. (阜新蒙古族自治县兴达风力发电有限公司)	RMB66,000,000	RMB66,000,000	RMB66,000,000
Haotai New Energy Equipment Ltd. (浩泰新能源装备有限公司)	RMB500,000,000	RMB500,000,000	RMB500,000,000
Jilin Century Concord Wind Power Investment Co., Ltd. (吉林协合风力发电投资有限公司)	RMB195,820,000	RMB195,820,000	RMB195,820,000
Jilin Tongyu Century Concord Xinfu Wind Power Co., Ltd. (吉林通榆协合新发风力发电有限公司)	RMB203,000,000	RMB203,000,000	RMB203,000,000
Jingmen Lixi Wind Power Co., Ltd. (荆门栗溪风力发电有限公司)	RMB37,800,000	RMB37,800,000	RMB37,800,000
Kaiyuan Julong New Energy Development Co., Ltd. (开远聚隆新能源开发有限公司)	USD62,500,000	USD62,500,000	RMB443,850,000
Shizong Juhe Wind Power Co., Ltd. (师宗聚合风力发电有限公司)	USD44,000,000	USD47,000,000	RMB304,280,000
Suzhou Deren Wind Power Co., Ltd. (宿州德仁风力发电有限公司)	RMB70,000,000	RMB70,000,000	RMB70,000,000

Wuhe Juhe Wind Power Co., Ltd. (五河聚合风力发电有限公司)	RMB78,000,000	RMB78,000,000	RMB78,000,000
Yongzhou Jiepai Century Concord Wind Power Co., Ltd. (永州界牌协合风力发电有限公司)	RMB1,901,834,000	RMB1,901,834,000	RMB1,901,834,000
Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd. (永州桥头铺协合风力发电有限公司)	RMB133,920,000	RMB133,920,000	RMB133,920,000
CNE Investment Pte. Ltd.	S\$1,000,000	S\$60,000,000	S\$60,000,000

CHANGES IN ISSUED CAPITAL

The following tables set forth the changes in the issued and paid-up capital of our Company and each of our Principal Subsidiaries within the three (3) years preceding the Latest Practicable Date. Except as disclosed below, there were no changes in the issued and paid-up capital of our Company and each of our Principal Subsidiaries within the three (3) years preceding the Latest Practicable Date⁽¹⁾.

Our Company

Date/Period of Issue/Change	No. of Shares Issued / Change in Share Capital	Par value per Share (HK\$)	Resultant Issued Share Capital		Reason for Issue/Change
			No. of Shares	Amount (HK\$)	
1 January 2022 to 31 December 2022	67,460,000	0.01	8,917,869,158	89,178,691.58	The Company's cancellation of its repurchased Shares
	57,600,000	0.01	8,975,469,158	89,754,691.58	Issuance of Shares pursuant to 2015 Share Award Scheme
1 January 2023 to 31 December 2023	530,750,000	0.01	8,444,719,158	84,447,191.58	The Company's cancellation of its repurchased Shares
1 January 2024 to 31 December 2024	462,680,000	0.01	7,982,039,158	79,820,391.58	The Company's cancellation of its repurchased Shares

Date/Period of Issue/Change	No. of Shares Issued / Change in Share Capital	Par value per Share (HK\$)	Resultant Issued Share Capital		Reason for Issue/Change
			No. of Shares	Amount (HK\$)	
1 January 2025 to the Latest Practicable Date	104,360,000	0.01	7,877,679,158	78,776,791.58	The Company's cancellation of its repurchased Shares

Other Principal Subsidiaries

Date of Issue/Change	No. of Shares / Amount of registered capital issued or changed	Issue Price per share / Price per registered capital	Resultant Issued Share Capital / Resultant Issued Registered Capital following the issuance / change		Reason for Issue/Change
			No. of Shares / Registered capital	Amount / Paid-up capital	
Century Concord Wind Power Investment Co., Ltd. (协合风电投资有限公司)					
9 November 2023	Increase in registered capital of RMB344,450,000	RMB2.13	RMB3,444,450,000	RMB3,444,450,000	Concord New Energy Holding Co., Ltd. subscribed for new issued registered capital in CCWPI and became a shareholder
Fuxin Mongolian Autonomous County Xingda Wind Power Generation Co., Ltd. (阜新蒙古族自治县兴达风力发电有限公司)					
28 March 2025	Increase in registered capital of RMB250,000	RMB1	RMB66,250,000	RMB66,250,000	Share capital injection for partial capital expenditure of projects
Jingmen Lixi Wind Power Co., Ltd. (荆门栗溪风力发电有限公司)					
9 June 2025	Increase in registered capital of RMB 25,200,000	RMB1	RMB63,000,000	RMB63,000,000	Share capital injection for partial capital expenditure of projects
Kaiyuan Julong New Energy Development Co., Ltd. (开远聚隆新能源开发有限公司)					

Date of Issue/Change	No. of Shares / Amount of registered capital issued or changed	Issue Price per share / Price per registered capital	Resultant Issued Share Capital / Resultant Issued Registered Capital following the issuance / change		Reason for Issue/Change
			No. of Shares / Registered capital	Amount / Paid-up capital	
30 May 2024	Change in currency of registered capital from USD to RMB	N/A	RMB443,850,000	RMB443,850,000	The shareholder CWP Holdings Limited, a foreign company, transferred all registered capital held by it to the other shareholder, Yunnan Ruiting New Energy Technology Co., Ltd., a company registered in the PRC
15 December 2025	Decrease in registered capital of RMB64,235,500	N/A	RMB379,614,500	RMB379,614,500	Based on Kaiyuan Julong's business plan and financing arrangements, the current amount of paid-up registered capital of Kaiyuan Julong (RMB379,614,500) is sufficient to support the project's operational needs, and additional capital contribution is no longer required. Accordingly, the registered capital of Kaiyuan Julong has been adjusted to reflect the current amount of paid-up registered capital of Kaiyuan Julong.
Shizong Juhe Wind Power Co., Ltd. (师宗聚合风力发电有限公司)					
13 November 2023	Increase in registered capital of USD3,000,000	USD1	USD47,000,000	USD47,000,000	Share capital injection for partial capital expenditure of projects
16 August 2024	Change in currency of registered capital from USD to RMB	N/A	RMB304,280,000	RMB304,280,000	The shareholder CWP Holdings Limited, a foreign company, transferred all registered capital held by it to the other shareholder Qujing Julong New Energy Technology Co., Ltd., a company registered in the PRC
CNE Investment Pte. Ltd.					
30 June 2023	Issuance and allotment of 59,000,000 ordinary shares	S\$1	60,000,000 ordinary shares	S\$60,000,000	To support the development and expansion of business in Singapore and across global markets

Date of Issue/Change	No. of Shares / Amount of registered capital issued or changed	Issue Price per share / Price per registered capital	Resultant Issued Share Capital / Resultant Issued Registered Capital following the issuance / change		Reason for Issue/Change
			No. of Shares / Registered capital	Amount / Paid-up capital	
26 March 2025	Issuance and allotment of 2,000,000 ordinary shares	S\$1	62,000,000 ordinary shares	S\$62,000,000	To support the development and expansion of business in Singapore and across global markets

Note:

(1) The concept of share capital is not applicable to PRC limited partnerships under the applicable PRC laws.

As at the Latest Practicable Date, save for the repurchase and holding of our Shares as treasury shares (which have no voting rights), there have been no changes to the voting rights of the issued share capital of our Company and the share capital or registered capital of our Principal Subsidiaries and in respect of the issuances of shares of our Company and Principal Subsidiaries set out above, no consideration other than cash has been received and no discounts, special terms or instalment payment terms have been offered within the three (3) years preceding the Latest Practicable Date.

CONNECTED TRANSACTIONS AND POTENTIAL CONFLICTS OF INTERESTS

The following definitions apply in this section unless the context otherwise requires:

- connected person*** : has the meaning ascribed to it under the Hong Kong Listing Rules, i.e.:-
- (a) a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries;
 - (b) a person who was a director of the listed issuer or any of its subsidiaries in the last 12 months;
 - (c) an associate of any of the above persons;
 - (d) a connected subsidiary; or
 - (e) a person deemed to be connected by the HKSE.
- connected transactions*** : has the meaning ascribed to it under the Hong Kong Listing Rules, and in general means:
- transactions with connected persons, and specified categories of transactions with third parties that may confer benefits on connected persons through their interests in the entities involved in the transactions. They may be one-off connected transactions or continuing connected transactions.
- substantial shareholder*** : has the meaning ascribed to it under the Hong Kong Listing Rules, and in general means:
- in relation to a company, a person (including a holder of depositary receipts) who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the company (voting rights attaching to treasury shares are excluded), provided always that a depositary shall not be a substantial shareholder merely by reason of the fact that it is holding shares of the issuer for the benefit of the holders of depositary receipts.

COMPLIANCE WITH CONNECTED TRANSACTION REQUIREMENTS UNDER THE HONG KONG LISTING RULES

As a company listed on the HKSE, we are required to comply with (among other things) the requirements in respect of connected transactions under Chapter 14A of the Hong Kong Listing Rules. The general requirements under the Hong Kong Listing Rules for connected transactions include disclosures in announcements, circulars and/or annual reports, and/or shareholders' approval, where applicable. Persons with material interests cannot vote on the resolution approving the transaction. Continuing connected transactions also require annual reviews by independent non-executive directors and the auditors. Exemptions from the connected transaction requirements are available for certain types of transactions such as de minimis transactions, directors' service contracts and insurance, sale and purchase of consumer goods or services, sharing of administrative services, transactions with associates of passive investors, and transactions with connected persons at the subsidiary level. The exemptions are broadly divided into two (2) categories: (1) fully exempt from shareholders' approval, annual review and all disclosure requirements; and (2) exempt from shareholders' approval requirement.

MEASURES AND PROCEDURES FOR APPROVING CONNECTED TRANSACTIONS

Our Company will continue to comply with the requirements under the Hong Kong Listing Rules with respect to connected transactions including the applicable disclosure and annual reporting requirements in our Company's annual reports. These include the making of announcements containing the requisite details under Chapter 14A of the Hong Kong Listing Rules, as well as disclosing in each annual report of our Company a summary of the following details in respect of all non-exempted connected transactions conducted in the relevant financial year (including continuing connected transactions under agreements signed in previous years):-

- (1) the transaction date;
- (2) the parties to the transaction and a description of their connected relationship;
- (3) a brief description of the transaction and its purpose;
- (4) the total consideration and terms;
- (5) the nature of the connected person's interest in the transaction; and
- (6) for continuing connected transactions (i.e. connected transactions involving the provision of goods or services or financial assistance which are carried out on a continuing or recurring basis and are expected to extend over a period of time):-
 - (A) a confirmation from our Company's independent non-executive directors that they have reviewed those continuing connected transactions and a separate confirmation whether the transactions have been entered into:-
 - (i) in the ordinary and usual course of business of our Group;
 - (ii) on normal commercial terms or better (i.e. being terms which a party could obtain if the transaction were on an arm's length basis or terms no less favourable to our Group than terms available to or from independent third parties); and
 - (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of our Company's shareholders as a whole.
 - (B) a statement by our Board whether the auditors of our Company have, in turn, confirmed whether anything has come to their attention that causes them to believe that the continuing connected transactions:-
 - (i) have not been approved by the Board;
 - (ii) were not, in all material respects, in accordance with the pricing policies of our Group if the transactions involve the provision of goods or services by our Group;
 - (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
 - (iv) have exceeded the cap (which is a monetary cap required under the Hong Kong Listing Rules to be set with respect to continuing connected transactions).

FUTURE CONNECTED TRANSACTIONS

We will continue to comply with the relevant requirements under the Hong Kong Listing Rules with respect to connected transactions as summarised above when members of our Group enter into connected transactions in the future.

DETAILS OF PREVIOUS CONNECTED TRANSACTIONS

Details of the connected transactions between our Group and connected persons of our Group for FY2022, FY2023 and FY2024 (as disclosed in our Company's annual reports for the respective financial years) and for the period from 1 January 2025 to the Latest Practicable Date (based on the relevant announcements and circulars published by our Company for the relevant period) are as follows:

FY2022

Our Group had not entered into any connected transaction in FY2022 which was subject to the announcement and reporting requirements under the Hong Kong Listing Rules.

FY2023

Connected Transaction

On 27 October 2023, the Group entered into an agreement to dispose of a 28.75% equity stake in its subsidiary, Century Concord O&M, in which the Group held 72% interest at the relevant time) to Xizang Dingyu, controlled by the directors and CEO of Century Concord O&M, at a consideration of RMB93.52 million (the "**Disposal**"). Following the completion of the Disposal on 6 December 2023, Xizang Dingyu held a 46.75% equity stake in Century Concord O&M, and Century Concord O&M ceased to be a subsidiary of the Group. In accordance with Rule 14A.07 of the Hong Kong Listing Rules, as the ultimate controlling shareholder of Xizang Dingyu was a director of the Group's subsidiary at the time of the Disposal, Xizang Dingyu, Century Concord O&M and its subsidiaries ("**Century Concord O&M Group**") constituted connected persons of the Group.

Continuing Connected Transactions

Upon completion of Disposal, under Rule 14A.07 of the Hong Kong Listing Rules, any individual who served as a director of the Group's subsidiary within the past 12 months remains a connected person of the Group. Therefore, Xizang Dingyu and Century Concord O&M Group (in which Xizang Dingyu held over 30%) continued to be connected persons of the Group from the completion date of the Disposal (i.e. 6 December 2023) until 6 December 2024, and the transactions with Xizang Dingyu and Century Concord O&M Group during such period constituted connected transactions.

Prior to 27 October 2023, (i) the subsidiaries of our Company holding wind and solar power plants had entered into service agreements with subsidiaries of Century Concord O&M ("**Target Subsidiaries**") ("**Service Agreements**"); (ii) the Group had provided the financial assistance to Century Concord O&M and the Target Subsidiaries ("**Financial Assistance**"); and (iii) Century Concord Wind Power Investment Co., Ltd. (a subsidiary of our Company) ("**CCWPI**") had provided guarantees ("**Financial Guarantees**") in relation to loan agreements ("**Loan Agreements**") and third party service agreement entered into by Century Concord O&M ("**Third Party Service Agreement**"), and Century Concord O&M had in return, provided the counter-guarantee to CCWPI ("**Counter-Guarantee**").

(1) Service Agreements

All the power plants of the Group Power Companies were managed by the Target Subsidiaries under the Service Agreements. During the period from 1 December 2022 to 20 October 2023, each of the Group Power Companies of the one part as the clients for the service and each of the relevant Target Subsidiaries of the other part as the providers of the services entered into the Service Agreements for the provision of certain operation and maintenance services and technical services to the Group Power Companies (the "**Services**"), under which the service period was three (3) years. The estimated total service fees payable under the Service Agreements by the Group Power Companies to the Target Subsidiaries were approximately RMB140 million, RMB160 million and RMB180 million for financial years ended 31 December 2023, 2024 and 2025 respectively.

During FY2023, the total service fee for operation and maintenance services and technical services that the Group Power Companies purchased from Century Concord O&M Group amounted to approximately RMB112 million.

(2) Financial Assistance

During FY2023, the Group had provided financial assistance amounted to RMB90.76 million to Century Concord O&M and its two (2) Target Subsidiaries, of which the conditions are on standard commercial terms.

(3) The Financial Guarantees and the Counter-Guarantee

During FY2023, CCWPI had provided Financial Guarantees to various banks to secure Century Concord O&M's due repayment of a total outstanding indebtedness of approximately RMB136.59 million owed to such banks under the Loan Agreements.

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

(4) Performance Guarantee

During FY2023, Century Concord O&M entered into the Third Party Service Agreement for the provision of the Services to a third party power company ("**Third Party Power Company**"). Under the Third Party Service Agreement, the power plants of the Third Party Power Company operated and maintained by Century Concord O&M (on its behalf) shall achieve a specified annual power generation capacity (the "**Agreed Capacity**"), failing which CCWPI shall be liable to the Third Party Power Company under the Performance Guarantee to pay to the Third Party Power Company a penalty representing the shortfall in the power generation capacity multiplied by the agreed price of each unit of power generated. The period of the Performance Guarantee will expire in 2044, and the maximum penalty estimated by the Company was RMB28 million.

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

FY2024

Continuing Connected Transactions

As mentioned under "*Details of Previous Connected Transactions – FY2023 – Continuing Connected Transactions*" of this Introductory Document, upon completion of the Disposal, under Rule 14A.07 of the Hong Kong Listing Rules, any individual who served as a director of the Group's subsidiary within the past 12 months remains a connected person of the Group. Therefore, Xizang Dingyu and Century Concord O&M Group (in which Xizang Dingyu held over 30%) continued to be connected persons of the Group from the completion date of the Disposal (i.e. 6 December 2023) until 6 December 2024, and the transactions with Xizang Dingyu and Century Concord O&M Group during such period constituted connected transactions.

Since 7 December 2024, Xizang Dingyu and Century Concord O&M Group no longer constituted connected persons of the Group, and all transactions between the Group and Century Concord O&M Group are no longer considered as connected transactions under the Hong Kong Listing Rules.

In the year 2024, the Group purchased operation and maintenance services and technical services from Century Concord O&M Group amounting to RMB99.04 million.

(1) Service Agreements

All the power plants of the Group Power Companies were managed by the Target Subsidiaries under the Service Agreements. During FY2024, the Group Power Companies of the one part as the clients

for the service and each of the relevant Target Subsidiaries of the other part as the providers of the services entered into the Service Agreements for the provision of the Services to the Group Power Companies, comprising operation and maintenance, data alerts, data analysis, software development and technical services. The main services provided under the Service Agreements were equipment and facility management and maintenance, fault repair, data analysis and early warning services, centralised monitoring, smart energy monitoring and analysis, and software technology development and services.

During FY2024, the total service fee for operation and maintenance services and technical services that the Group Power Companies purchased from Century Concord O&M Group amounted to approximately RMB99.04 million.

(2) Financial Assistance

During FY2024, the Group had provided financial assistance amounted to RMB90.76 million to Century Concord O&M and its five (5) subsidiaries, of which the conditions are on standard commercial terms.

(3) The Financial Guarantees and the Counter-Guarantee

As at 31 December 2024, CCWPI had provided Financial Guarantees to various banks to secure Century Concord O&M's due repayment of a total outstanding indebtedness of approximately RMB198.85 million owed to the Banks under the Loan Agreements.

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

(4) Performance Guarantees

With reference to the Third Party Service Agreement entered into between CCWPI and the Third Party Power Company in FY2023, if the specified annual power generation capacity was not achieved by CCWPI, parties have agreed in FY2024 that the maximum penalty under the relevant performance guarantee shall not be more than RMB5 million, and such performance guarantee will expire in 2048.

From 1 January 2025 up to the Latest Practicable Date

For the period from 1 January 2025 to the Latest Practicable Date, our Group had not entered into any connected transaction which was subject to the announcement and reporting requirements under the Hong Kong Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the transactions with related parties for FY2022, FY2023, FY2024 (as disclosed in our Company's annual reports), 6M2025 and the period from 1 January 2025 to the Latest Practicable Date (based on the relevant announcements and circulars published by our Company for the relevant period) are set out below.

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amounts of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

Material Transactions carried out by the Group with related parties during the Period Under Review

The table below sets out the material transactions carried out by our Group with related parties for FY2022, FY2023, FY2024 and 6M2025 (based on the relevant results announcements, annual reports and interim financial statements published by our Company for the relevant periods):

	FY2022 RMB'000	FY2023 RMB'000	FY2024 RMB'000	6M2025 RMB'000
Provision of services and sales of goods to associates and joint ventures ⁽¹⁾	42,386	34,802	13,083	4,807
Guarantee income and interest income from associates and a joint venture ⁽²⁾	7,108	8,625	13,612	2,346
Finance lease income of associates and a joint venture ⁽³⁾	2,562	3,180	4,429	1,441
Services received from a joint venture	-	34,462	154,873	69,489
Loans provided to associates and joint ventures	-	60,000	-	182,500
Recovery of loans provided to associates and joint ventures	-	20	40,188	227,036
Recovery of financing lease receivables from associates and joint ventures	6,230	7,752	21,622	30,111

Notes:

- (1) The terms and conditions of sales of goods and provision of services were mutually agreed by both parties.
- (2) Please refer to the section entitled "*Connected Transactions and Potential Conflicts of Interests – Details of Previous Connected Transactions*" for more information on the Financial Guarantees and Counter-Guarantee from which these guarantee income and interest income were derived from.
- (3) Finance lease income arose from associates bear interest at 8.5% per annum during FY2022. Finance lease income arose from associates and a joint venture with interest rates ranging from 5.2% to 8.5% per annum during FY2023, FY2024 and 4.75% to 6.55% during 6M2025 respectively.

Compensation of Key Management Personnel

The table below sets out the compensation of key management personnel of our Group (which constituted related party transactions pursuant to the applicable accounting standards adopted by our Company) for FY2022, FY2023 and FY2024 (as disclosed in our Company's annual reports for the respective financial years) and for the period from 1 January 2025 to the Latest Practicable Date (based on the relevant announcements and circulars published by our Company for the relevant period):

	FY2022 RMB'000	FY2023 RMB'000	FY2024 RMB'000	1 January 2025 to the Latest Practicable Date RMB'000
Salaries and other short-term employee benefits	36,821	45,741	50,911	-
Share-based compensation	15,719	6,869	2,891	-
Total compensation paid to key management personnel	52,540	52,610	53,802	-

Please refer to the section entitled "*Management and Corporate Governance – Compensation of Directors and Executive Officers – Directors' Remuneration*" of this Introductory Document for further details of the related party transactions in respect of Directors' remuneration.

DIRECTORS' INTERESTS IN COMPETING BUSINESS AND POTENTIAL CONFLICTS OF INTERESTS

During each of FY2022, FY2023, FY2024 and the period from 1 January 2025 to the Latest Practicable Date, save as disclosed below, none of the Directors has any interest in business which competes or

may compete, directly or indirectly, with the business of our Group, or have or may have any other conflicts of interest with our Group.

Mr. Wang Feng, who is the non-Executive Director of our Group, currently serves as a deputy general manager of Huadian New Energy (华电新能源), a state-owned power generation enterprise in China and a substantial shareholder of the Company which has an interest in approximately 11.17% of the shares in the capital of the Company as at 30 June 2025, as disclosed in the Company's 6M2025 interim report. Mr. Wang Feng does not have any executive power or role within the Group and does not participate in the day-to-day business operations of the Group.

TAXATION

The following discussion is limited to a general description of certain tax consequences in the jurisdictions described below with respect to ownership of our Shares, based on laws, regulations, guidelines, rulings and decisions in effect as at the Latest Practicable Date. Such laws, regulations, guidelines, rulings and decisions are subject to change, and any change could be retrospective. Such laws, regulations, guidelines, rulings and decisions are also subject to interpretation and the relevant tax authorities or courts could later disagree with the explanations or conclusions set out herein. The discussion below does not purport to be comprehensive or exhaustive, and does not constitute legal or tax advice.

Prospective investors should consult their own professional advisers regarding the tax consequences of purchasing, owning and disposing of our Shares. Neither our Company, our Directors nor any other person involved in the Introduction accepts responsibility for any tax effects or liabilities resulting from the purchase, ownership or disposition of our Shares.

BERMUDA TAXATION

We are incorporated under the laws of Bermuda.

At the present time, there is no Bermuda profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by us or by our Shareholders who are non-residents of Bermuda in respect of our Shares or any dividends and other distributions declared and payable on the shares of the Company.

Bermuda enacted the Corporate Income Tax Act 2023 on 27 December 2023 (the "**CIT Act**") which became effective on 1 January 2025. Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi-national groups. A multi-national group is defined under the CIT Act as a group with entities in more than one (1) jurisdiction with consolidated revenues of at least EUR 750 million for two (2) out of the four (4) previous fiscal years. A Bermuda entity that is tax resident in another jurisdiction under the laws of that jurisdiction based on its location of management and control is not a Bermuda constituent entity. For a Bermuda constituent entity of a multi-national group which is subject to tax under the CIT Act, such tax is charged at a rate of 15 per cent. of the net taxable income of such constituent entity as determined in accordance with and subject to the adjustments set out in the CIT Act (including in respect of foreign tax credits applicable to the Bermuda constituent entity).

The Company has confirmed that it had consolidated revenues of less than EUR 750 million in the last four (4) fiscal years and is tax resident in Hong Kong as at the Latest Practicable Date. Accordingly, it is not a Bermuda constituent entity for the purposes of the CIT Act as at the Latest Practicable Date.

The Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to the Company or to any its operations or to its Shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Company in respect of real property owned by or leased or let to the Company in Bermuda.

Bermuda is not a party to any double tax treaties with Singapore that are applicable to any payments made to or by the Company.

Stamp Duty

The Company is exempt from all stamp duties except on transactions involving "Bermuda property". This term relates, essentially, to real and personal property physically situated in Bermuda, including shares in local companies (as opposed to exempted companies). Transfers of shares and warrants in all exempted companies are exempt from Bermuda stamp duty.

SINGAPORE TAXATION

The following discussion is a summary of Singapore income tax, stamp duty, estate duty and GST considerations relevant to the acquisition, ownership and disposition of our Shares. The statements made herein regarding taxation are general in nature and based upon certain aspects of the current tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date hereof and are subject to any changes in such laws or administrative guidelines or the interpretation of such laws or guidelines occurring after such date, which changes could be made on a retrospective basis. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to acquire, own or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. The statements below are based on the assumption that our Company is not tax resident in Singapore. Prospective shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of our Shares, taking into account their own particular circumstances. It is emphasised that neither we nor any other persons involved in this Introductory Document accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal of our Shares.

Corporate Income Tax

Corporate taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore and foreign-sourced income received or deemed to be received in Singapore from outside Singapore, unless specifically exempted from tax.

The prevailing corporate income tax rate in Singapore is 17.0%.

With effect from Year of Assessment ("YA") 2020, the first S\$200,000 of a company's normal annual chargeable income is exempt from tax as follows:

- (a) 75.0% of up to the first S\$10,000 of chargeable income; and
- (b) 50.0% of up to the next S\$190,000 of chargeable income.

Notwithstanding the above, for qualifying new private companies, 75.0% of the first S\$100,000 of annual normal chargeable income and 50.0% of the next S\$100,000 of annual normal chargeable income is exempted from tax, subject to meeting the relevant conditions.

The remaining chargeable income (after deducting the applicable tax exemption on the first S\$200,000 of chargeable income) will be taxed at the prevailing corporate tax rate, currently at 17.0%.

A company is regarded as tax resident in Singapore if the control and management of the company's business is exercised in Singapore. "Control and management" refers to the making of decisions on strategic matters, such as those on company policy and strategy. Typically, the location of the board meetings, during which strategic decisions are made, is a key factor in determining whether control and management is exercised. However, under certain scenarios, holding board meetings in Singapore may not be sufficient and other factors will be considered to determine if the control and management of the business is indeed exercised in Singapore.

Presently, tax exemption will be granted to a Singapore tax resident corporate taxpayer on its foreign-sourced dividends, foreign branch profits and foreign-sourced service income ("**specified foreign income**") received or deemed to be received in Singapore, subject to meeting the following qualifying conditions:

- (a) the specified foreign income has been subject to income tax in the foreign jurisdiction from which the income is received;
- (b) at the time the specified foreign income is received in Singapore, the headline tax rate (i.e. highest corporate income tax rate) of the foreign jurisdiction from which the income is received is at least 15.0%; and

- (c) the Comptroller of Income Tax (the "**Comptroller**") is satisfied that the tax exemption would be beneficial to the Singapore tax resident corporate taxpayer.

Certain concessions and clarifications have also been announced by the Comptroller with respect to such conditions.

Pursuant to a tax concession granted with effect from 30 July 2004, the above foreign-sourced income exemption has been extended to include specified foreign income which is exempted from income tax in the foreign jurisdiction as a result of a tax incentive granted by that foreign jurisdiction for carrying out substantive business activities in that foreign jurisdiction.

If foreign-sourced income is subject to tax in Singapore and does not qualify for tax exemption, a Singapore tax resident corporate taxpayer is entitled to claim foreign tax credit ("**FTC**") for the foreign tax paid on such foreign income, subject to meeting the relevant conditions. The amount of foreign tax credit available to a Singapore tax resident corporate taxpayer is based on the lower of:

- (a) the Singapore tax payable on the particular source of income which qualifies for foreign tax credit; or
- (b) the actual foreign tax suffered on the same income.

Under the FTC pooling system, Singapore tax resident companies may elect to claim FTC on a pooled basis on any items of its foreign-sourced income, rather than the usual source-by-source and country-by-country basis, subject to meeting the relevant conditions as follows:

- (a) income tax must have been paid on the income in the foreign jurisdiction from which the income is derived;
- (b) at the time the foreign-sourced income is received in Singapore, the headline tax rate of that foreign jurisdiction from which the income is received is at least 15.0%;
- (c) there must be Singapore income tax payable on the foreign-sourced income; and
- (d) the taxpayer is entitled to claim foreign tax credits under sections 50, 50A or 50B of the Income Tax Act 1947 of Singapore ("**SITA**") on its foreign-sourced income.

The amount of foreign tax credit to be granted under the FTC pooling system is based on the lower of the total Singapore tax attributable to the pooled foreign income (net of expenses) and the pooled foreign taxes paid on that income.

Individual Income Tax

An individual taxpayer (both tax resident and non-tax resident of Singapore) is subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received in Singapore by an individual taxpayer is generally exempt from income tax in Singapore, except for such income received through a partnership in Singapore by Singapore tax resident individuals.

An individual is regarded as a tax resident in Singapore in a YA if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

A Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 24.0%, with effect from YA2024, after deductions of qualifying personal reliefs where applicable.

A non-Singapore tax resident individual is generally taxed at the rate of 24.0%, with effect from YA2024, except for Singapore-sourced employment income which is taxed at either a flat rate of 15.0% (without deductions for personal relief), or at the progressive rates as a tax resident (with deductions for personal relief), whichever yields a higher tax.

Dividend Distributions

Singapore does not impose withholding tax on dividend payments.

As our Company is incorporated in Bermuda and on the assumption that our Company is not tax resident in Singapore, dividends paid by our Company would generally be considered as foreign-sourced income (unless our Shares are held as part of a trade or business carried on in Singapore in which event the holders of such Shares may be taxed on the dividends as they are derived).

Dividends paid by our Company will be exempt from Singapore income tax when received by an individual investor regardless of whether the individual investor is resident or non-resident of Singapore, except for such income received through a partnership in Singapore by Singapore tax resident individual investors.

Dividends paid by our Company and received in Singapore by a Singapore corporate investor will be subject to Singapore income tax unless an exemption applies to the foreign-sourced dividend income received in Singapore.

Shareholders or investors are advised to consult their own tax advisors in respect of the tax laws of their respective countries of residence which are applicable on such dividends received by them and the applicability of any double taxation agreement.

Capital Gains Tax

Any gains from the disposal of our Shares, if regarded as capital gains, are generally not taxable in Singapore.

There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains from the disposal of our Shares are taxable in Singapore if the seller is regarded as having derived gains of an income nature in Singapore. Gains arising from the disposal of our Shares which are derived from any trade, business, vocation or profession carried on by that person, if accruing in or derived from Singapore, are taxable as such gains are considered revenue in nature. Gains derived from the disposal of our Shares may also be taxable if they constitute any gains or profits of an income nature under section 10(1)(g) of the SITA.

Section 13W of the SITA provides a safe harbour in the form of an exemption of gains or profits arising from the disposal of ordinary shares. To qualify for the tax exemption, the divesting company must have legally and beneficially held at least 20.0% of the ordinary shares of the company whose shares are being disposed (the "**Investee Company**") for a continuous period of at least 24 months immediately prior to the date of disposal of such shares.

The above-mentioned "safe harbour rule" is not applicable under the following scenarios:

- the disposal of shares during the period from 1 June 2012 to 31 May 2022 of an unlisted Investee Company which is in the business of trading or holding Singapore immovable properties (other than the business of property development);
- the disposals of shares from 1 June 2022 of an unlisted Investee Company which is in the business of trading, holding or developing immovable properties in Singapore or abroad, subject to certain exceptions;
- the disposal of shares by a divesting company in the insurance business industry (as referred to under section 26 of the SITA); and
- the disposal of shares by a partnership, limited partnership or limited liability partnership where one (1) or more of the partners is a company or are companies.

For disposal gains derived on or after 1 January 2026, the scope of eligible gains includes gains from the disposal of preference shares that are accounted for as equity by the Investee Company under the

applicable accounting principles, and the assessment of the shareholding threshold condition can be done on a group basis.

Shareholders who have adopted or are required to adopt Financial Reporting Standard 109 *Financial Instruments* or Singapore Financial Reporting Standard (International) 9 *Financial Instruments* (as the case may be) for financial reporting purposes may for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses that are capital in nature) on our Shares, irrespective of whether there is actual disposal. If so, the gains or losses so recognised may be taxed or allowed as a deduction even though they are unrealised.

Further, section 10L of the SITA implements an income tax on gains received in Singapore from the sale or disposal occurring on or after 1 January 2024 by an entity of a relevant group of any foreign asset (i.e. any movable or immovable property situated outside Singapore at the time of such sale or disposal or any rights or interest thereof). Under this section, our Shares would likely be considered as “foreign assets” if they are registered in a register which is a principal register that is situated outside Singapore.

Broadly, a seller entity would be a member of a “relevant group” if (i) its assets, liabilities, income, expenses and cash flows (a) are included in the consolidated financial statements of the parent entity of the group, or (b) are excluded from the consolidated financial statements of the parent entity of the group solely on size or materiality grounds or on the grounds that the entity is held for sale, and (ii) the entities of the group are not all incorporated in a single jurisdiction or any entity of the group has a place of business in more than one (1) jurisdiction.

There are certain exclusions in this regard. The taxation of such gains would not apply to a sale or disposal that is:

- (a) carried out as part of, or incidental to, the business of a “prescribed financial institution”, which includes licensed banks, licensed finance companies and holders of a capital markets services licence;
- (b) carried out as part of, or incidental to, the relevant business activities or operations of an entity enjoying certain tax incentives, such as the financial sector incentive; or
- (c) carried out by an excluded entity that has adequate economic substance in Singapore (as defined and provided for under section 10L of the SITA).

Shareholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their ownership and disposal of our Shares.

Stamp Duty

There is no stamp duty payable on the subscription for, allotment or holding of our Shares.

Under Singapore law, stamp duty is generally payable on the instrument of transfer of shares at the rate of 0.2%, computed on the consideration paid for or market value of the ordinary shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary.

No stamp duty is payable if no dutiable document (whether physical or electronic, such as in the case of scripless shares, the transfer of which do not require instruments of transfer to be executed) is executed or the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the dutiable document which is executed outside Singapore is subsequently received in Singapore. Electronic instruments that are executed outside Singapore are treated as received in Singapore in any of the following scenarios: (a) it is retrieved or accessed by a person in Singapore; (b) an electronic copy of it is stored on a device (including a computer) and brought into Singapore; or (c) an electronic copy of it is stored on a computer in Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the scripless trading system operated by CDP.

Estate Duty

Singapore estate duty had been abolished with effect from 15 February 2008.

GST

The sale of our Shares by a GST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply, which is not subject to GST. Any input GST incurred by the GST-registered investor in connection with the making of such an exempt supply is generally not recoverable from the Comptroller of GST and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or by the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person who belongs outside Singapore, and for the direct benefit of either a person belonging outside Singapore (and that person is outside Singapore at the time of supply) or a GST-registered person who belongs in Singapore, the sale is a taxable supply subject to GST at zero-rate (i.e. GST at 0%). Any input GST incurred by the GST-registered investor in the making of such a zero-rated supply, subject to the provisions of the GST legislation, may be recovered from the Comptroller of GST.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of our Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the prevailing standard rate of 9.0%. Similar services contractually rendered by a GST-registered person to an investor belonging outside Singapore, and for the direct benefit of either a person belonging outside Singapore (and that person is outside Singapore at the time of supply) or a GST-registered person who belongs in Singapore should generally be subject to GST at zero-rate.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

PRC TAXATION

Generally, our PRC subsidiaries are subject to enterprise income tax on their taxable income in China at a statutory rate of 25%, except for our certain PRC subsidiaries that are qualified as high and new technology enterprises under the EIT Law and are eligible for a preferential enterprise income tax rate of 15%. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

Our products and services are primarily subject to VAT at a rate of 13% and 6%, less any deductible VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with PRC law.

Dividends paid by our PRC subsidiaries in China to our Hong Kong subsidiaries will be subject to a withholding tax rate of 10%, unless the relevant Hong Kong entity satisfies all the requirements under the Double Taxation Avoidance Arrangement and receives approval from the relevant tax authority. If our Hong Kong subsidiaries satisfy all the requirements under the tax arrangement and receive approval from the relevant tax authority, then the dividends paid to the Hong Kong subsidiaries would be subject to withholding tax at the preferential rate of 5%. Effective from 1 November 2015, the above-mentioned approval requirement has been abolished, but a Hong Kong entity is still required to file application package with the relevant tax authority, and settle the overdue taxes if the preferential 5% tax rate is denied based on the subsequent review of the application package by the relevant tax authority.

If we or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the EIT Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%.

Under the EIT Law, and the Notice on Extension of the EIT Policy for the Large-scale Development of the Western Region (《关于延续西部大开发企业所得税政策的公告》), from 1 January 2021 to 31 December 2030, enterprises located in the western region that are engaged in the encouraged industries, such as the hydropower, wind and solar PV power industry, shall enjoy a reduced EIT which is 15%, instead of the typical 25% EIT rate under the EIT Law.

Under the Interim Measures for the Implementation of the Enterprise Income Tax Policy in the Xizang Autonomous Region (《西藏自治区企业所得税政策实施办法 (暂行) 》), from 1 January 2022 to 31 December 2025, if the number of employed permanent residents of Tibet in an enterprise accounts for 70 per cent. or more (inclusive) of the total number of employees of the enterprise, the portion of the enterprise income tax that is shared by the local government for this enterprise may be exempted.

According to “Notice of the Ministry of Finance and the State Administration of Taxation on Issues Relating to the Implementation of the Preferential Catalogue of Enterprise Income Tax for Public Infrastructure Projects(《关于执行公共基础设施项目企业所得税优惠目录有关问题的通知》)”, and “Notice of the State Administration of Taxation on the Implementation of Preferential Issues of Enterprise Income Tax for Public Infrastructure Projects Supported by State Priorities (《关于实施国家重点扶持的公共基础设施项目企业所得税优惠问题的通知》)”, starting from the taxable year in which the first production and operation income is derived, the first (1st) to third (3rd) years will be exempted from the corporate income tax, and the fourth (4th) to sixth (6th) years are subject to a 50% reduction in corporate income tax.

HONG KONG TAXATION

Stamp Duty

Dealings in the Shares registered on our Hong Kong branch register will be subject to Hong Kong stamp duty. The current rate of stamp duty in Hong Kong for transfer of Hong Kong stock is 0.1% on the higher of the consideration for and the market value of the Shares, and it is charged on the purchaser on every purchase and on the seller on every sale of the Shares. In other words, a total stamp duty of 0.2% is currently payable on a typical sale and purchase transaction involving the Shares. In addition, a fixed duty of HK\$5.00 is charged on each instrument of transfer (if required).

Tax on Dividends

There is no withholding tax in Hong Kong on dividend distributions by our Company to the Shareholders.

Profits Tax

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on a trade, profession or business in Hong Kong and holding the Shares for trading purposes) on any capital gains made on the sale or transfer of our Shares. Trading gains derived from dealings in our Shares by persons carrying on a trade, profession or business in Hong Kong may be subject to Hong Kong profits tax at a maximum tax rate of 15% for unincorporated bodies and 16.5% for corporations if arising in or derived from Hong Kong in connection with such trade, profession or business. Trading gains derived from the sale of Shares effected on the HKSE will be deemed by the Inland Revenue Department as derived from or arising in Hong Kong for profits tax purposes. Shareholders are advised to seek advice from their own professional advisers as to their particular tax position.

CLEARANCE AND SETTLEMENT

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of our Shares. For the purpose of trading on the SGX-ST, a board lot of our Shares will comprise 100 Shares.

Upon listing and quotation on the SGX-ST, our Shares will be traded on the HKSE and the SGX-ST. The principal register of members will be maintained in Bermuda (the "**Principal Share Register**"). Our Company has established the Hong Kong Share Register ("**Hong Kong Share Register**"), being a branch register of members in Hong Kong which is maintained by Tricor Investor Services Limited whose address is 17th Floor, Far East Finance Centre, No.16 Harcourt Road, Hong Kong. Further, the Company has established a branch register of members in Singapore (the "**Singapore Branch Share Register**") which is maintained by the Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd. whose address is 36 Robinson Road, #20-01 City House, Singapore 068877. The Principal Share Registrar will keep in Bermuda duplicates of the Hong Kong Share Register and the Singapore Branch Share Register, which will be updated from time to time.

CLEARANCE, TRADING AND SETTLEMENT OF SHARES ON THE SGX-ST

Upon listing and quotation of the Shares on the SGX-ST, Shares that are traded on the SGX-ST will be cleared and settled under the book-entry settlement system of CDP, and all dealings in and transactions of the Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP. An investor may open a direct account with CDP or a sub-account with any CDP Depository Agent. A CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

The Shares that are traded on the SGX-ST will be scripless shares registered on the Singapore Branch Share Register in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. The laws of incorporation of our Company, namely, Bermuda, only recognises the holders of the Shares as registered in the register of members of the Company as its members. Accordingly, unless they are registered in the register of members of the Company as its members, depositors and Depository Agents will not be treated under the Memorandum of Association and Bye-Laws and the Bermuda Companies Act as members of the Company in respect of the number of Shares credited to their respective Securities Accounts and may not be accorded the full rights of membership, such as voting rights, the right to appoint proxies, or the right to receive shareholders' circulars, proxy forms, annual reports and prospectuses. In such an event, depositors and Depository Agents will be accorded only such rights as CDP may make available to them pursuant to CDP's terms and conditions to act as depository for foreign securities.

Dealings in the Shares will be carried out on the SGX-ST in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades executed on the SGX-ST will take place on the second Market Day after the trade date. When a seller does not have sufficient Shares in the account for settlement by the start of the final settlement run at 1:30pm on the second Market Day after the trade day, CDP will conduct buy-in on that afternoon (unless the intended settlement date of the trades executed on the SGX securities market falls on a day with half day trading, buying-in will be conducted only for a day on the next business day). Securities bought in successfully will be used to fulfil the seller's delivery obligation on the next business day.

Shareholders are responsible for ensuring the Shares are credited into their Securities Account maintained with CDP or securities sub-account with a Depository Agent, as the case may be, in time for the settlement of trades on the SGX-ST, as buying-in may be instituted against the relevant clearing member of the CDP if the Shares are not available in the balance of the Securities Accounts or

securities sub-accounts of Shareholders for settlement pursuant to their trades.

CLEARING FEES IN RESPECT OF TRADING ON THE SGX-ST

A clearing fee for the trading of our Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, instruments of transfer deposit fees and share withdrawal fees may be subject to GST at the prevailing rate of 9.0% (or such other rate prevailing from time to time).

VOTING INSTRUCTIONS

Investors who trade Shares listed on the SGX-ST would hold their Shares through the CDP system. Investors holding Shares through the CDP system may only exercise the voting rights for the deposited Shares through the CDP system and in accordance with the terms and conditions for the operation of Securities Accounts with CDP, and the terms and conditions for CDP to act as depository for foreign securities as amended from time to time.

Under the Bermuda Companies Act, every other person who has agreed to become a member of a Bermuda company and whose name is entered on the register of members of such company is considered a member. Under the Bermuda Companies Act, the register of members is *prima facie* evidence of any matters by the Bermuda Companies Act directed or authorised to be inserted therein. Accordingly, a CDP Depositor holding Shares through CDP would not be recognised as our Shareholder under the laws of Bermuda and do not have the right to attend and vote at the general meetings of our Company. Our Company, through our Singapore Share Transfer Agent, will send notices of Shareholders' meetings to CDP Depositors by post. In the event that CDP Depositors wish to attend and vote at general meetings of our Company, CDP will have to appoint them as proxies, pursuant to our Memorandum of Association and Bye-Laws and the Bermuda Companies Act.

Provided that CDP has appointed the relevant CDP Depositors as proxies, in accordance with our Bye-Laws, the appointed CDP Depositors can attend and vote at the general meetings of our Company. At any general meeting, CDP, as a clearing house, may appoint more than one (1) proxy in accordance with our Bye-Laws. Pursuant to Bye-Law 86(B) of our Bye-Laws, provided CDP is a registered member of the Company, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company provided that, if more than one (1) person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such proxy or representative is so authorised. Each person so authorised under our Bye-Laws shall be entitled to exercise the same rights and powers on behalf of CDP as if it were an individual Shareholder.

TRADING AND SETTLEMENT OF SHARES ON THE HKSE

Settlement of transactions between CCASS Participants is required to take place in CCASS on the second Hong Kong business day after the relevant trading day. All activities under CCASS are subject to the CCASS Rules in effect from time to time. Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangements as such arrangements may affect their rights and interests.

Investors in Hong Kong must settle their trades executed on the HKSE through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his Shares in his designated CCASS Participant's stock account maintained with CCASS, settlement will be effected by CCASS in accordance with the CCASS Rules.

TRANSACTION COSTS OF DEALING IN SHARES LISTED ON THE HKSE

The transaction costs of dealings in our Shares on the HKSE include:

- HKSE trading fee of 0.00565% of the consideration of the transaction, charged to each of the buyer and seller and rounded to the nearest cent;
- SFC transaction levy of 0.0027% of the consideration of the transaction, charged to each of the buyer and seller;

- Accounting and Financial Reporting Council of Hong Kong's transaction levy of 0.00015% of the consideration of the transaction, charged to each of the buyer and seller;
- Transfer deed stamp duty of HK\$5.00 per transfer deed (if applicable), payable by the seller;
- Stamp duty at a total rate of 0.2% of the value of the transaction, with 0.1% payable by each of the buyer and the seller;
- Brokerage commission, which is freely negotiable with the broker (other than brokerage commissions for initial public offering transactions, which are currently set at 1% of the subscription or purchase price and will be payable by the person subscribing for or purchasing the securities) and the applicable stock settlement fee; and
- Transfer fee, in which the Hong Kong Branch Share Registrar and Transfer Office will charge (at the rate of HK\$2.50 per certificate issued or cancelled) the higher of (i) the number of certificates to be issued; or (ii) the number of certificates to be cancelled, for each transfer of ordinary shares from one registered owner to another, each share certificate cancelled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong.

MOVEMENT OF SHARES BETWEEN HONG KONG AND SINGAPORE

Through the movement mechanisms discussed below, it is possible for investors to purchase Shares on the SGX-ST and sell them on the HKSE and *vice versa*. All of the linked movements between CDP and CCASS are effected only on a free-of-payment basis (that is, there is no related cash movement parallel to the securities movement, and any related cash transfers may only be effected outside CDP and CCASS directly between the buyer and seller through their own arrangements).

Investors should be aware that while there is no time difference between the Singapore and Hong Kong markets, the HKSE has shorter trading hours than the SGX-ST. The trading hours on the SGX-ST are from 9.00 a.m. to 12.00 p.m. and 1.00 p.m. to 5.00 p.m. on a Market Day, and the trading hours on the HKSE are from 9.30 a.m. to 12.00 p.m. and 1.00 p.m. to 4.00 p.m. on a trading day in Hong Kong.

Transfer of Shares from Hong Kong to Singapore

Shareholders should note that only Shares which are registered on the Singapore Branch Share Register and deposited with CDP are valid for settlement of trades done on the SGX-ST. Therefore, Shareholders who currently hold their Shares on the Hong Kong Share Register and wish to trade on the SGX-ST must effect a removal of the Shares from the Hong Kong Share Register to the Singapore Branch Share Register and must procure the deposit of the Shares with CDP. In this regard, the investor should ensure that (i) he has a Securities Account in his own name with CDP or a securities sub-account with a Depository Agent and (ii) the Shares are credited to his Securities Account or securities sub-account before dealing in the Shares.

Under normal circumstances, the removal and deposit of the Shares generally require 15 business days to complete (excluding posting time, and the time taken to withdraw Shares deposited with CCASS in Step 2 below), and would involve the following procedures:

1. If the investor's Shares are registered in the investor's own name, the investor shall complete a combined removal and transfer form available from the Hong Kong Branch Share Registrar and submit the same together with the same share certificate(s) (if any) in his name to the Hong Kong Branch Share Registrar.
2. If the investor's Shares have been deposited with CCASS, the investor must first withdraw the said Shares from his investor participant stock account with CCASS or from the stock account of a CCASS Participant and submit the relevant share transfer form(s) executed by HKSCC Nominees (for re-registration in his own name), the relevant share certificate(s) (if any) and a duly completed combined removal and transfer form to the Hong Kong Branch Share Registrar. The investor must also arrange for stamp duty clearance with the Hong Kong Stamp Office.

3. Upon receipt of the combined removal and transfer form, the relevant share certificate(s) (if any) and where appropriate, the completed share transfer form(s) executed by HKSCC Nominees, the Hong Kong Branch Share Registrar shall take all actions necessary to effect the removal and the transfer of the Shares from the Hong Kong Share Register to the Singapore Branch Share Register.
4. The Hong Kong Branch Share Registrar shall then notify the Singapore Share Transfer Agent of the removal whereupon the Singapore Share Transfer Agent will update the Singapore Branch Share Register, and will issue share certificate(s) in the name of the investor or CDP, as the case may be, and deliver the Share certificate(s) to the investor or CDP. Upon receipt of the relevant documents and prescribed payment from the Singapore Share Transfer Agent, CDP shall credit the specified number of Shares into the investor's securities account or sub-account with a CDP Depository Agent. The investor should ensure that the Shares are credited to his securities account or sub-account with a CDP Depository Agent before dealing in our Shares.

Shareholders requesting removals of Shares from the Hong Kong Share Register to the Singapore Branch Share Register are required to pay the fees and charges set out below and the following must accompany the removal forms:-

- (a) a cheque or bank draft in Hong Kong dollars made payable to **TRICOR INVESTOR SERVICES LIMITED** for: (i) the total sum of the removal fees (HK\$350) for the Shares to be removed from the Hong Kong Share Register (the "**Removed Shares**") and HK\$2.50 for each share certificate rendered for cancellation on the Hong Kong Share Register (under Standard Service) or (ii) the total sum of the higher of 0.05% of market value (based on the closing price of the Company's Shares in Hong Kong on the preceding day when Hong Kong Branch Share Registrar receives instructions from the Shareholder) with a minimum charge of HK\$1,000 and HK\$20.00 for each share certificate rendered for cancellation on the Hong Kong Share Register (under Express Service). The availability of the Express Service is subject to the discretion of the Hong Kong Branch Share Registrar and is not available during peak operation seasons of the Hong Kong Branch Share Registrar. Please refer to the latest combined removal and transfer form or contact the Hong Kong Branch Share Registrar for the latest fees and charges; and
- (b) bank drafts in Singapore Dollars (inclusive of Singapore prevailing 9% GST (or such other rate prevailing from time to time)) made payable to:-
 - (i) **IN.CORP CORPORATE SERVICES PTE. LTD.** for the sum of S\$10.00 (S\$10.90 inclusive of Singapore prevailing 9% GST) as payment for CDP deposit fee or such other amount required by CDP; and
 - (ii) **IN.CORP CORPORATE SERVICES PTE. LTD.** for the sum of S\$32.00 (S\$34.88 inclusive of Singapore prevailing 9% GST) for each share certificate to be issued on the Singapore Branch Share Register S\$2.00 (S\$2.18 inclusive of Singapore prevailing 9% GST) and each removal to be effected S\$30.00 (S\$32.70 inclusive of Singapore prevailing 9% GST).

Transfer of Shares from Singapore to Hong Kong

Shareholders should note that for the purposes of trading on the HKSE, the Shares must be registered on the Hong Kong Share Register and deposited into CCASS for credit to the Shareholder's investor participant stock account or his designated CCASS Participant's stock account. A Shareholder who holds his Shares through CDP and wishes to move his Shares from CDP to CCASS must effect a removal of the Shares from the Singapore Branch Share Register to the Hong Kong Share Register, and can do so in the following manner:

1. If the investor's Shares have been deposited with CDP, the investor must first request or instruct his Depository Agent to request on his behalf withdrawal of his Shares from CDP by completing and signing a Request for Withdrawal of Securities Form ("**Withdrawal Form**") available from CDP and submitting the same together with the duly completed transfer form pre-signed by the investor(s) as transferee(s) to CDP.

2. The investor shall complete a share removal form for the removal of Shares from the Singapore Branch Share Register to the Hong Kong Share Register obtained from the Singapore Share Transfer Agent and submit the share removal form to the Singapore Share Transfer Agent.
3. CDP will sign as transferor and send the duly completed transfer form together with share certificate(s) (if any) registered under the name of CDP to the Singapore Share Transfer Agent directly.
4. Upon receipt of the duly completed transfer form and share certificate(s) (if any) from CDP and the share removal form from the investor, the Singapore Share Transfer Agent shall take all actions necessary to effect the transfer and removal of Shares from the Singapore Branch Share Register.
5. The Singapore Share Transfer Agent shall then notify the Hong Kong Branch Share Registrar of the removal whereupon the Hong Kong Branch Share Registrar shall update the Hong Kong Share Register and issue share certificate(s) in the name of the investor and made such share certificate(s) be available for collection by the investor(s) at Hong Kong Branch Share Registrar's office unless other delivery method is requested upon submission of the share removal form and relevant fees will be separately agreed. Despatch of share certificate(s) will be made at the risk and expense of the investor as specified in the share removal form.
6. If the investor's Shares, upon being registered in the Hong Kong Share Register, are to be deposited with CCASS, the investor must deposit the Shares into CCASS for credit to his investor participant stock account or his designated CCASS Participant's stock account. For deposit of Shares into CCASS or to effect a sale of Shares in Hong Kong, the investor should execute a transfer form which is in use in Hong Kong and which can be obtained from the offices of the Hong Kong Branch Share Registrar and deliver it together with his share certificate(s) issued by the Hong Kong Branch Share Registrar to HKSCC Nominees directly if he intends to deposit the Shares into CCASS for credit to his investor participant stock account or via a CCASS Participant if he wants the Shares to be credited to his designated CCASS Participant's stock account.

Under normal circumstances, steps 2 to 5 generally require 15 business days (excluding posting time) to complete. The time taken to deposit Shares into CCASS in Step 6 above may vary, depending on whether the investor arranges for the deposit of his Shares into CCASS directly, or via a CCASS Participant, and may take at least one (1) Hong Kong business day or more.

Shareholders requesting removals of Shares from the Singapore Branch Share Register to the Hong Kong Share Register are required to pay the fees and charges set out below and item (a) must accompany the relevant form:-

- (a) bank draft in Singapore Dollars (inclusive of Singapore prevailing 9% Goods and Services Tax (or such other rate prevailing from time to time)) made payable to **IN.CORP CORPORATE SERVICES PTE. LTD.** for the sum of S\$32.70 as payment for transfer request fee; and
- (b) **(this fee is payable upon collection of the share certificate(s) in respect of the Removed Shares in Hong Kong)** a cheque or bank draft in Hong Kong dollars made payable to **TRICOR INVESTOR SERVICES LIMITED** for: (i) the total sum of the removal fees (HK\$350) for the Removed Shares and HK\$2.50 for each share certificate issued on the Hong Kong Share Register (under Standard Service) or (ii) the total sum of the higher of 0.05% of market value (based on the closing price of our Company's Shares in Hong Kong on the preceding day when the Hong Kong Share Registrar receives instructions from the Singapore Share Transfer Agent) with a minimum charge of HK\$1,000 and HK\$20.00 for each share certificate issued on the Hong Kong Share Register (under Express Service). The exact fee to be paid under Express Service will be calculated and advised by the Hong Kong Branch Share Registrar. The availability of the Express Service is subject to the discretion of the Hong Kong Branch Share Registrar and is not available during peak operation seasons of the Hong Kong Branch Share Registrar. Please refer to the share removal form or contact the Hong Kong Branch Share Registrar for the latest fees and charges.

WITHDRAWAL OR DEPOSIT OF SHARES FROM OR INTO CDP

Persons holding Shares in a Securities Account with CDP or securities sub-account with a Depository Agent may withdraw any number of Shares they own and obtain physical share certificates by executing a Withdrawal Form and submitting the same, together with the Transfer Form ("**Transfer Form**") pre-signed by the investor(s) as transferee(s) and the withdrawal fee, to CDP. CDP will then sign as transferor and send the duly completed and signed Transfer Form together with share certificate(s) registered under the name of CDP to the Singapore Share Transfer Agent as agent of the Singapore Branch Share Register. Upon receipt of the above documents, the Singapore Share Transfer Agent will effect the transfer of Shares from CDP to the investor(s) and issue physical Singapore share certificates in the name of the investor. Such share certificates will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be *prima facie* evidence of legal title and may be transferred in accordance with the Memorandum of Association and Bye-Laws.

Persons holding physical share certificates in their own names and who wish to trade on the SGX-ST must submit to CDP their physical share certificates together with the Request for Deposit of Securities Form for the Deposition of Shares into CDP along with the duly executed Transfer Form in favour of CDP as transferee, to have their respective Securities Accounts or securities sub-accounts credited with the number of Shares before they can effect any trades.

In the absence of unforeseen circumstances, (i) in the case of a deposit of securities into CDP, CDP will credit the securities 12 Market Days or later after the date of lodgement of share certificate(s) with CDP and upon receipt of confirmation from the Singapore Share Transfer Agent that the securities have been registered in the name of CDP or its nominee (as the case may be), and (ii) in the case of a withdrawal of securities into CDP, CDP will debit the securities and lodge with the Singapore Share Transfer Agent the certificates from the securities withdrawn within 6 Market Days from the date of receipt of the Withdrawal Form to affect the registration of the securities to the transferee.

GENERAL INFORMATION

RESPONSIBILITY STATEMENT

1. Our Directors collectively and individually accept full responsibility for the accuracy of the information given in this Introductory Document and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Introductory Document constitutes full and true disclosure of all material facts about the Introduction, our Company and its subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Introductory Document misleading. Where information in this Introductory Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Introductory Document in its proper form and context.
2. The Issue Manager, CGS International Securities Singapore Pte. Ltd., confirms that to the best of its knowledge and belief, this Introductory Document constitutes full and true disclosure of all material facts about the Introduction, our Company and its subsidiaries, and the Issue Manager is not aware of any facts the omission of which would make any statement in this Introductory Document misleading.

MATERIAL BACKGROUND INFORMATION

3. Except as disclosed below, at the date of this Introductory Document, none of our Directors, Executive Officers and controlling shareholders have:
 - (a) at any time during the last ten (10) years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time when he or she was a partner or at any time within two (2) years after the date he or she ceased to be a partner;
 - (b) at any time during the last ten (10) years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity or at any time within two (2) years after the date he or she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) any unsatisfied judgment against him or her;
 - (d) ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such purpose;
 - (e) ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such breach;
 - (f) at any time during the last ten (10) years, had judgment entered against him or her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or her part, nor has he or she been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;

- (g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;
- (j) ever, to his or her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; or
- (k) been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the MAS or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

Disclosure relating to our Executive Director and Vice President, Mr. Zhai Feng

On 29 November 2016, the Shanghai Stock Exchange issued a public criticism to Mr. Zhai Feng, the company secretary of Liaoning Shenhua Holdings Co., Ltd. (Stock Code: 600653.SS, formerly known as Shanghai Shenhua Holdings Company Limited), due to the company's failure to disclose a reduction in its equity holdings in Shenyang Jinbei Automotive Company Limited (金杯汽车股份有限公司). In accordance with the Shanghai Stock Exchange's Listing Rules, such transactions should have been tabled for shareholders' approval and disclosed publicly in a timely manner. However, Shanghai Shenhua Holdings Company Limited failed to disclose the sales promptly and did not meet the necessary shareholder meeting requirements.

Despite the public criticism issued by the Shanghai Stock Exchange, no additional notices or directives have been issued regarding this matter. In accordance with the relevant regulations, the validity period for records of public criticism in the integrity records maintained by the CSRC is three (3) years. Since the public criticism was issued in 2016 and more than three (3) years have elapsed since then, this record has now expired. Under the applicable regulations of the Shanghai Stock Exchange, such circumstances do not disqualify Mr. Zhai from serving as a director or senior executive of an A-share listed company.

Our Board and Nomination Committee have considered, among other considerations, Mr. Zhai 's confirmation that his resignation from Shenhua Holdings in December 2019 was voluntary. Furthermore, Mr. Zhai Feng has not been disqualified from acting as a director or an equivalent role in any entity, nor from participating directly or indirectly in the management of any entity.

Based on this information, to the best of the knowledge and belief of our Board (excluding Mr. Zhai Feng) and Nomination Committee, nothing has come to their attention that would cause them to believe that Mr. Zhai Feng does not possess the character and integrity expected of a director of a listed issuer pursuant to Listing Rule 210(5)(b).

Disclosure relating to our Executive Director and CEO, Mr. Niu Wenhui and our Vice President, Mr. Wang Xigang in relation to certain tax matters

Mr. Niu Wenhui has been a director of CCWPI since 3 August 2016 to date and Mr. Wang Xigang has been the chairman of the board of directors, general manager and legal representative of CCWPI since 26 March 2020 to date. Pursuant to the Administration Penalty Decision (No.:京海税罚[2022]2 号) issued by the Tax Service of Haidian District on 9 February 2022, CCWPI was fined RMB15,692.41 due to CCWPI's failure to fulfil its obligation regarding the withholding and remitting of taxes and failure to withhold or collect taxes that should be withheld or collected as the withholding agent, which violated the Administration of Tax Collection Law of the PRC. CCWPI has however settled such fine in full on 10 February 2022. There has been no further notices, warnings or correspondence from the Tax Service of Haidian District after CCWPI's full settlement of the aforesaid fine. For the avoidance of doubt, Mr. Niu Wenhui and Mr. Wang Xigang were not the subject of the penalty. The penalties were not issued to Mr. Niu Wenhui in his capacity as a director of CCWPI, or Mr. Wang Xigang in his capacity as director, general manager or legal representative of CCWPI.

Disclosure relating to our Vice President, Mr. Wang Xigang in relation to Shizong Juhe Wind Power Co., Ltd. ("Shizong Juhe")

Mr. Wang Xigang has been a director and the legal representative of Shizong Juhe since 24 September 2021 to date. There has been one (1) administrative penalty imposed on Shizong Juhe within the three (3) years immediately preceding the Latest Practicable Date. The Natural Resources Bureau of Shizong County issued the Notice of Administrative Penalty (师自然资执罚[2023]4 号) to Shizong Juhe on 4 April 2023. According to such Notice of Administrative Penalty, Shizong Juhe occupied collective land of 67.79 mu without valid land approval and constructed 27 wind turbine units and lifting platforms and 2 step-up substations on it. Natural Resources Bureau of Kaiyuan City imposed the following administrative penalties on Shizong Juhe: (i) confiscation of the 41.03 mu of land occupied for the construction of wind turbines and lifting platforms and the 25.16 mu of land occupied by the step-up substation, for which Shizong Juhe was required to vacate the materials in the step-up substation within 30 days upon receipt of the Notice of Administrative Penalty; and (ii) a fine of RMB4,519,356. Shizong Juhe has made such settlement in full to the Shizong County Natural Resources Bureau on 19 April 2023. Shizong Juhe has obtained titles of land use right involved in the aforementioned administrative penalty. There has been no further notices, warnings or correspondence from the Natural Resources Bureau of Shizong County after Shizong Juhe's full settlement of the aforesaid fine. For the avoidance of doubt, Mr. Wang Xigang was not the subject of the penalty, and the penalty was not issued to Mr. Wang Xigang in his capacity as a director or legal representative of Shizong Juhe.

CHANGES IN THE SHARE CAPITAL OF OUR COMPANY AND PRINCIPAL SUBSIDIARIES

4. Except as disclosed in the section entitled "*Description of Share Capital – History of Share Capital*" of this Introductory Document, there were no changes in the share capital of our Company within the three (3) years immediately preceding the Latest Practicable Date.
5. Except as disclosed "*Description of Share Capital – History of Share Capital*" of this Introductory Document, there were no changes in the share capital of our Principal Subsidiaries within the three (3) years immediately preceding the Latest Practicable Date.

RELATIONSHIP WITH THE ISSUE MANAGER

6. In the reasonable opinion of our Directors, the Issue Manager does not have a material relationship with our Company save as disclosed below:
 - (a) The Issue Manager and its affiliates are a full-service financial institution engaged in various activities, which may include securities trading, commercial and investment

banking transactions, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities;

- (b) The Issue Manager and its affiliates have, from time to time, performed and may in the future perform various financial advisory and investment banking services for our Company, and our affiliates for which they received or will receive customary fees and expenses.
- (c) The Issue Manager may, from time to time, be appointed as placement agent and/or underwriter in connection with subsequent equity fundraising exercises that may be conducted by our Group. Such roles, if any, will not be contingent and inter-conditional on CGS International Securities Singapore Pte. Ltd.'s appointment as Issue Manager. Details of any such equity fundraising will be included in a separate offering document to be issued in connection with such equity fundraising exercise if and when it is undertaken.
- (d) In addition, in the ordinary course of their various business activities, the Issue Manager and its affiliates (or any of them) may make, issue or hold a broad array of investments and enter into secondary market transactions or actively trade debt and equity securities (including but not limited to equity derivatives, warrants and other structured instruments) and financial instruments (including bank loans) for their own account and for the account of their customers, and such investment and securities activities may involve securities and/or instruments of our Company, or our affiliates.
- (e) The Issue Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

MATERIAL CONTRACTS

- 7. The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or Principal Subsidiaries within the two (2) years preceding the date of this Introductory Document and are or may be material:
 - (a) the sale and purchase agreement between Xinyuan Juneng (Wuhan) Technology Co., Ltd.* (新源聚能 (武汉) 科技有限公司) ("**Xinyuan Juneng**"), Yilan County Century Concord Wind Power Co., Ltd.* (依兰县协合风力发电有限公司) ("**Yilan Century Concord**") and CCWPI (subsidiaries of our Group) and ACWA Power (as the purchaser, who is an independent third party to our Group) dated 15 January 2025, pursuant to which Xinyuan Juneng agreed to sell its entire entity interest in Yilan Century Concord to ACWA Power at a consideration of RMB506,107,000;
 - (b) the sale and purchase agreement between Xinyuan Juneng, Heilongjiang Taiming New Energy Technology Co., Ltd.* (黑龙江泰鸣新能源技术有限公司) ("**Taiming Company**"), Tonghe Juting and CCWPI (subsidiaries of our Group) and ACWA Power (as purchaser) dated 27 January, pursuant to which Xinyuan Juneng agreed to sell its entire entity interest in Taiming Company (which holds 60% interest in Tonghe Juting) to ACWA Power at a consideration of RMB636,241,000;
 - (c) the share transfer agreement between (i) Yongzhou Jiepai (as seller); (ii) Shanxi Electric Investment Jinhe New Energy Co., Ltd. (山西电投晋和新能源有限责任公司) ("**Electric Investment Jinhe**" as purchaser); and (iii) Yantai Wanshen New Energy Co., Ltd. (烟台宛申新能源有限公司) ("**Yantai Wanshen**"), (iv) Bin County Century Concord Wind Power Co., Ltd. (宾县协合风力发电有限公司), (v) Heilongjiang Juming New Energy Technology Co., Ltd. (黑龙江聚鸣新能源技术有限公司) and (vi) CCWPI (collectively, the "**Covenantors**") dated 18 September 2023, pursuant to which Yongzhou Jiepai agreed to sell 100% of the shares in Yantai Wanshen at a consideration of RMB350,940,000, and the Covenantors agreed to provide certain

undertakings to Electric Investment Jinhe for completion for such share transfer agreement; and

- (d) the sale and purchase agreement between Yinhua Century Concord New Energy Investment Co., Ltd.* (银华协合新能源投资有限公司) ("**Yinhua Century Concord**", as the seller, which is a subsidiary of our Group) and Shirui Energy Technology (Shanghai) Co., Ltd.* (市瑞能源技术(上海)有限公司) ("**Shirui Energy**", as the purchaser) dated 15 December 2025, pursuant to which Yinhua Century Concord agreed to sell its entire entity interest in Cangzhou Julong Solar Power Generation Co., Ltd.* (沧州聚隆太阳能发电有限公司) (subsidiaries of our Group) to Shirui Energy at a consideration of RMB65.3 million.

**The English names have been provided solely for identification purposes only.*

MISCELLANEOUS

8. There has not been any public take-over offer by a third party in respect of our Shares, or by our Company in respect of the shares of another corporation or the units of a business trust, which has occurred between 1 January 2024 and the Latest Practicable Date.
9. No expert is employed on a contingent basis by our Company or any of our subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Introduction.
10. Except as disclosed in the sections entitled "*Summary – Business Strategies and Future Plans*" and "*Business – Business Strategies and Future Plans – Future Plans*" of this Introductory Document, we are not aware of any event that has occurred since 30 June 2025 and up to the Latest Practicable Date, that may have a material effect on the financial position and results of our Group.
11. Except as disclosed in the sections entitled "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Renewable Energy Industry and Prospects*", "*Business – Competitive Strengths*" and "*Business – Business Strategies and Future Plans*" of this Introductory Document and barring any unforeseen circumstances, we are not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on our net sales or revenues, profitability, liquidity or capital resources since 30 June 2025 (being the date to which our latest unaudited consolidated financial statements were prepared) and up to the Latest Practicable Date, or that would cause our financial information disclosed in this Introductory Document to be not necessarily indicative of our future operating results or financial condition.
12. Our Group is not subject to audit, inspection or review by regulatory authorities, therefore, there are no such material adverse findings by such regulatory authorities.
13. The details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are set out in the section entitled "*Corporate Information*" of this Introductory Document.
14. We currently have no intention of changing our auditors after the Introduction.

CONSENTS

15. CGS International Securities Singapore Pte. Ltd., as the Issue Manager, has given and has not withdrawn its written consent to the issue of this Introductory Document with the inclusion herein of its name and all references thereto in the form and context in which they are included in this Introductory Document, and to act in such capacity in relation to this Introductory Document.

16. KPMG, as the Independent Auditor, has given and has not withdrawn its written consent to the issue of this Introductory Document with the inclusion herein of its name and all references thereto, and the statements attributed to them in the sections entitled "*Notice to Investors – Presentation of Financial and Statistical Information*", "*Management and Corporate Governance – Corporate Governance – Statement on Adequacy of Internal Controls*" and "*Management and Corporate Governance – Corporate Governance – Opinion of our Audit Committee in relation to Mr. Niu Wenhui*", its audit reports on the audited consolidated financial statements of our Company as at and for each of the financial years ended 31 December 2022, 2023 and 2024 and its review report on the unaudited interim condensed consolidated financial statements as at and for the six (6) months ended 30 June 2025 in the form and context in which they are included in this Introductory Document, and to act in such capacity in relation to this Introductory Document. The audit reports by the Independent Auditor on the audited consolidated financial statements of our Company as at and for each of the years ended 31 December 2022, 2023 and 2024 set out in Appendix A to this Introductory Document and the review report by the Independent Auditor on the unaudited interim consolidated financial statements as at and for the six (6) months ended 30 June 2025 set out in Appendix B to this Introductory Document were not prepared for the purpose of incorporation in this Introductory Document.
17. Beijing Jincheng Tongda & Neal Law Firm, the legal adviser to our Company as to PRC law has given and has not withdrawn its written consent to the issue of this Introductory Document with the inclusion herein of its name and the statements attributed to them in the sections entitled "*Risk Factors – Risks Relating to Our Business and Industry – We have failed to obtain, and may fail to maintain, some requisite government approvals, permits, licences and certificates in obtaining land, construction of wind and power plants and the operation of our business.*", "*Risk Factors – Risks Relating to Our Business and Industry – Our leased interest or entitlement in our offices and dormitories may be defective or subject to lien and our right to lease, own or use the properties affected by such defects or lien may be challenged, which could cause disruption to our business.*", "*Regulations*" and "*Management and Corporate Governance – Legal Representatives*" of this Introductory Document, which were prepared as at the date of this Introductory Document for the purpose of incorporation in this Introductory Document in the form and context in which they are included in this Introductory Document.
18. Hai Run Law Firm, the legal adviser to the Issue Manager as to PRC law has given and has not withdrawn its written consent to the issue of this Introductory Document with the inclusion herein of its name and the statements attributed to them in the sections entitled "*Risk Factors – Risks Relating to Our Business and Industry – We have failed to obtain, and may fail to maintain, some requisite government approvals, permits, licences and certificates in obtaining land, construction of wind and power plants and the operation of our business.*" and "*Regulations*" of this Introductory Document, which were prepared as at the date of this Introductory Document for the purpose of incorporation in this Introductory Document in the form and context in which they are included in this Introductory Document.

LEGAL MATTERS

19. Certain legal matters in connection with this Introduction will be passed upon for our Company by WongPartnership LLP with respect to matters of Singapore law, by Beijing Jincheng Tongda & Neal Law Firm with respect to matters of PRC law, by Sidley Austin with respect to matters of Hong Kong law, and by Conyers Dill and Pearman with respect to matters of Bermuda law.
20. Each of WongPartnership LLP, Rajah & Tann Singapore LLP, Sidley Austin and Conyers Dill & Pearman does not make or purport to make any statement in this Introductory Document, is not aware of any statement in this Introductory Document which purports to be based on a statement made by it, and makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Introductory Document. Save for the statements attributed to Beijing Jincheng Tongda & Neal Law Firm as set out under paragraph 17 above, Beijing Jincheng Tongda & Neal Law Firm does not make or purport to make any statement in this Introductory Document, is not aware of any statement in this Introductory Document which purports to be based on a statement

made by it, and makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Introductory Document. Save for the statements attributed to Hai Run Law Firm as set out under paragraph 18 above, Hai Run Law Firm does not make or purport to make any statement in this Introductory Document, is not aware of any statement in this Introductory Document which purports to be based on a statement made by it, and makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Introductory Document.

DOCUMENTS AVAILABLE FOR INSPECTION

21. Copies of the following documents may be inspected at 30 Cecil Street #21-01, Prudential Tower, Singapore 049712 during normal business hours for a period of six (6) months from the date of this Introductory Document:
- (a) our Memorandum of Association and Bye-Laws;
 - (b) the material contracts referred to in the section entitled "*General Information – Material Contracts*" of this Introductory Document;
 - (c) the employment agreements entered into with our Directors referred to in the section entitled "*Management and Corporate Governance – Directors and Executive Officers - Service Agreements with Directors*" of this Introductory Document;
 - (d) the Independent Auditor's Report and the Audited Consolidated Financial Statements of our Group as at and for the financial years ended 31 December 2022, 2023 and 2024 as set out in Appendix A to this Introductory Document;
 - (e) the respective audited financial statements of our Company and each of our subsidiaries (which has audited financial statements) as at and for the financial years ended 31 December 2022, 2023 and 2024;
 - (f) the Independent Review Report and the Unaudited Interim Condensed Consolidated Financial Statements as at and for the six (6) months ended 30 June 2025 as set out in Appendix B to this Introductory Document; and
 - (g) the letters of consent referred to in the section entitled "*General Information – Consents*" of this Introductory Document.

**APPENDIX A – INDEPENDENT AUDITOR'S REPORT AND AUDITED CONSOLIDATED
FINANCIAL STATEMENTS OF CONCORD NEW ENERGY GROUP LIMITED AND ITS
SUBSIDIARIES AS AT AND FOR EACH OF THE YEARS ENDED 31 DECEMBER 2022,
2023 AND 2024**

Concord New Energy Group Limited
(Incorporated in Bermuda with limited liability)

Consolidated Financial Statements
For the year ended 31 December 2022



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

Opinion

We have audited the consolidated financial statements of Concord New Energy Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 7 to 124, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

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

Key audit matter

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



Independent auditor's report to the shareholders of Concord New Energy Group Limited (continued)

(incorporated in Bermuda with limited liability)

Key audit matter (continued)

Assessment of potential impairment of goodwill in relation to the group of cash generating units of investment in wind power plants	
<i>Refer to Note 19 to the consolidated financial statements and the accounting policies in Note 3.</i>	
The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2022, the goodwill allocated to the group of cash generating units ("CGU") of investment in wind power plants arising on this acquisition amounted to RMB714 million. The Group conducted an annual impairment assessment on goodwill by assessing the recoverable amount of the relevant group of CGUs to which the goodwill has been allocated based on their fair value less costs to disposal using discounted cash flow method. The impairment assessment performed by the management involves the exercise of significant management judgement, particular in estimating future sales volumes and future on-grid tariffs as well as in the estimation of the discount rates applied. We identified goodwill impairment assessment on the group of CGUs of investment in wind power plants as a key audit matter because the carrying amount of the goodwill is material to the consolidated financial statements and also because management's judgement and assumptions involved as part of the impairment assessment are inherently uncertain and could be subject to potential management bias.	Our audit procedures to address potential impairment of goodwill in relation to the group of CGUs of investment in wind power plants included the following: • assessing management's identification of CGUs and the allocation of assets to each CGU with reference to our understanding of the Group's business and the requirements of the prevailing accounting standards; • comparing the actual results for the current year with management's forecast in the previous year to assess the historical accuracy of management's forecasting process and if there is any indication of management bias; • involving our internal valuation specialists to evaluate the valuation methodology used in determining the recoverable amount of the relevant group of CGUs, and assess whether the discount rates applied in the impairment assessment were within the ranges adopted by other companies in the same industry; • challenging management's basis on the estimation of the estimated future sales volumes of wind power plants in operation by comparing with the historical sales volumes and on-grid tariffs and government's policies on on-grid tariffs and validating management's reason of significant deviations, if any;



**Independent auditor's report to the shareholders of
Concord New Energy Group Limited (continued)**

(incorporated in Bermuda with limited liability)

Key audit matter (continued)

Assessment of potential impairment of goodwill in relation to the group of cash generating units of investment in wind power plants	
<i>Refer to Note 19 to the consolidated financial statements and the accounting policies in Note 3.</i>	
The Key Audit Matter	How the matter was addressed in our audit
	• evaluating the assumptions of the estimated sales volumes and on-grid tariffs of wind power plants under construction by checking to the feasibility reports and by considering the future development plans from the local government, on a sample basis, and government's policies on on-grid tariffs; • evaluating management's sensitivity analysis of the key assumptions adopted and considering if there were any indicators of management bias; and • assessing the reasonableness of the disclosures in the consolidated financial statements in respect of the impairment assessment of goodwill, including the key assumptions and sensitivities, with reference to the requirements of the prevailing accounting standards.



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

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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



Independent auditor's report to the shareholders of Concord New Energy Group Limited (continued)

(incorporated in Bermuda with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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

**Auditor's responsibilities for the audit of the consolidated financial statements
(continued)**

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
28 February 2023

Consolidated statement of profit or loss for the year ended 31 December 2022 (Expressed in Renminbi ("RMB"))

	Note	2022 RMB'000	2021 RMB'000 (Restated)
Revenue	5, 6	2,679,368	2,195,540
Cost of sales and services rendered	13	<u>(1,084,395)</u>	<u>(875,878)</u>
Gross profit		1,594,973	1,319,662
Other income	7	60,132	82,735
Other gains and losses, net	8	317,810	153,563
Impairment losses under expected credit loss model, net of reversal	9	1,181	27,550
Distribution and selling expenses		(18,814)	(12,708)
Administrative expenses		(426,476)	(337,598)
Finance costs	12	(546,316)	(446,120)
Share of profit of joint ventures, net		151,115	134,246
Share of profit of associates, net		<u>20,004</u>	<u>18,265</u>
Profit before income tax	13	1,153,609	939,595
Income tax expense	14	<u>(227,840)</u>	<u>(121,733)</u>
Profit for the year		<u>925,769</u>	<u>817,862</u>
Profit for the year attributable to:			
Equity shareholders of the Company		871,817	787,534
Non-controlling interests		<u>53,952</u>	<u>30,328</u>
		<u>925,769</u>	<u>817,862</u>
Earnings per share	15		
Basic (RMB cents)		9.90	9.46
Diluted (RMB cents)		<u>9.86</u>	<u>9.39</u>

The notes on pages 16 to 124 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 16.

Consolidated statement of profit or loss and
other comprehensive income
for the year ended 31 December 2022
(Expressed in RMB)

	2022 RMB'000	2021 RMB'000 (Restated)
Profit for the year	<u>925,769</u>	<u>817,862</u>
Other comprehensive income: <i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	<u>(16,227)</u>	<u>9,594</u>
Other comprehensive income for the year, net of tax	<u>(16,227)</u>	<u>9,594</u>
Total comprehensive income for the year	<u>909,542</u>	<u>827,456</u>
Total comprehensive income attributable to:		
Equity shareholders of the Company	858,076	796,487
Non-controlling interests	<u>51,466</u>	<u>30,969</u>
	<u>909,542</u>	<u>827,456</u>

The notes on pages 16 to 124 form part of these financial statements.

Consolidated statement of financial position at 31 December 2022 (Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	17	14,876,597	11,849,709
Right-of-use assets	18	559,208	530,534
Intangible assets	19	788,224	817,455
Interests in associates	20	776,034	510,030
Interests in joint ventures	21	1,578,123	1,273,201
Financial assets at fair value through profit or loss	22	13,716	76,631
Prepayments, deposits and other receivables	25	1,666,400	1,354,914
Finance lease receivables	26	164,993	91,426
Loan receivables	27	45,240	49,663
Deferred tax assets	37(b)	39,486	37,738
		<u>20,508,021</u>	<u>16,591,301</u>
Current assets			
Inventories	28	59,196	27,679
Contract assets	23	206,728	345,848
Trade and bills receivable	24	1,369,622	1,795,948
Prepayments, deposits and other receivables	25	615,485	981,583
Finance lease receivables	26	32,599	17,171
Loan receivables	27	16,347	9,909
Amounts due from associates	20	85,835	84,758
Amounts due from joint ventures	21	90,563	29,184
Financial assets at fair value through profit or loss	22	138,841	10,000
Cash and cash equivalents	29	3,471,039	3,510,470
Restricted deposits	29	578,240	640,967
		<u>6,664,495</u>	<u>7,453,517</u>
Total assets		<u><u>27,172,516</u></u>	<u><u>24,044,818</u></u>

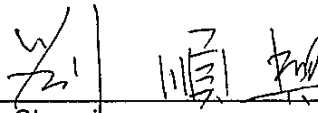
Consolidated statement of financial position at 31 December 2022 (continued) (Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000 (Restated)
LIABILITIES			
Non-current liabilities			
Bank borrowings	33	1,285,516	765,496
Other borrowings	34	10,321,434	8,786,142
Senior notes	35	-	544,107
Lease liabilities	36	98,748	77,066
Deferred tax liabilities	37(b)	93,522	38,089
Deferred government grants	38	4,865	5,215
Payables for construction in progress, other payables and accruals	31	745,976	541,364
Financial guarantee contract liabilities	39	10,602	17,115
		<u>12,560,663</u>	<u>10,774,594</u>
Current liabilities			
Trade and bills payable	30	1,262,570	1,078,538
Payables for construction in progress, other payables and accruals	31	2,736,516	3,016,253
Contract liabilities	32	59,325	139,301
Amounts due to associates	20	2,540	-
Amounts due to joint ventures	21	156	155
Bank borrowings	33	979,411	526,106
Other borrowings	34	734,782	861,763
Senior notes	35	618,905	17,029
Lease liabilities	36	13,502	11,411
Financial guarantee contract liabilities	39	7,535	7,319
Current income tax liabilities	37(a)	101,719	49,462
		<u>6,516,961</u>	<u>5,707,337</u>
Total liabilities		<u>19,077,624</u>	<u>16,481,931</u>
Net current assets		<u>147,534</u>	<u>1,746,180</u>
Total assets less current liabilities		<u>20,655,555</u>	<u>18,337,481</u>
Net assets		<u>8,094,892</u>	<u>7,562,887</u>

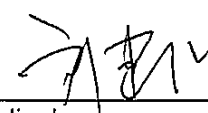
Consolidated statement of financial position
at 31 December 2022 (continued)
(Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000 (Restated)
EQUITY			
Share capital	40	77,443	77,499
Reserves		<u>7,754,304</u>	<u>7,336,427</u>
Total equity attributable to equity shareholders of the Company		7,831,747	7,413,926
Non-controlling interests		<u>263,145</u>	<u>148,961</u>
Total equity		<u>8,094,892</u>	<u>7,562,887</u>

Approved and authorised for issue by the board of directors on 28 February 2023.



Liu Shunxing
Chairman and Executive Director



Liu Jianhong
Vice Chairperson and Executive Director

The notes on pages 16 to 124 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2022 (Expressed in RMB)

	Attributable to equity shareholders of the Company										
	Share capital (Note 40(a)) RMB'000	Treasury shares (Note 40(b)) RMB'000	Share premium RMB'000	Contributed surplus (Note 40(c)) RMB'000	Premium arising on acquisition and disposal of non- controlling interests RMB'000	Exchange reserves RMB'000	Other reserves (Note 40(d)) RMB'000	Retained earnings (Note 40(e)) RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
At 1 January 2022	77,499	(46,760)	731,627	2,359,063	(65,761)	27,677	110,523	4,220,058	7,413,926	148,961	7,562,887
Profit for the year	-	-	-	-	-	-	-	871,817	871,817	53,952	925,769
Other comprehensive income	-	-	-	-	-	(13,741)	-	-	(13,741)	(2,486)	(16,227)
Total comprehensive income for the year	-	-	-	-	-	(13,741)	-	871,817	858,076	51,466	909,542
Ordinary share issued as treasury shares (Note 40(a))	493 (549)	(493) 39,510 (239,451)	- (38,961)	-	-	-	-	-	-	-	-
Cancellation of treasury shares (Note 40(a))	-	-	-	-	-	-	-	-	-	-	-
Repurchase of ordinary shares (Note 40(b))	-	-	-	-	-	-	-	-	(239,451)	-	(239,451)
Vesting of shares under share award scheme (Note 41)	-	6,812	15,772	-	-	-	(22,584)	-	-	-	-
Share-based compensation (Note 41)	-	-	-	-	-	-	29,519	-	29,519	-	29,519
2021 final dividends (Note 16)	-	-	-	-	-	-	-	(230,272)	(230,272)	-	(230,272)
Disposal of partial interest in subsidiaries	-	-	-	-	-	-	-	-	-	7,105	7,105
Contribution by non-controlling interests	-	-	-	-	-	-	10,739	-	10,739	149,522	160,261
Acquisition of non-controlling interests	-	-	-	-	(10,790)	-	-	-	(10,790)	(66,197)	(76,987)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(27,712)	(27,712)
Balance at 31 December 2022	77,443	(240,382)	708,438	2,359,063	(76,551)	13,936	128,197	4,861,603	7,831,747	263,145	8,094,892

The notes on pages 16 to 124 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2022 (continued) (Expressed in RMB)

	Attributable to equity shareholders of the Company										
	Share capital (Note 40(a)) RMB'000	Treasury shares (Note 40(b)) RMB'000	Share premium RMB'000	Contributed surplus (Note 40(c)) RMB'000	Premium arising on acquisition and disposal of non- controlling interests RMB'000	Exchange reserves RMB'000	Other reserves (Note 40(d)) RMB'000	Retained earnings (Note 40(e)) RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
At 1 January 2021	72,412	(32,201)	313,780	2,359,063	(65,770)	18,724	112,479	3,641,381	6,419,868	74,634	6,494,502
Profit for the year (Restated)	-	-	-	-	-	-	-	787,534	787,534	30,328	817,862
Other comprehensive income	-	-	-	-	-	8,953	-	-	8,953	641	9,594
Total comprehensive income for the year	-	-	-	-	-	8,953	-	787,534	796,487	30,969	827,456
Conversion to ordinary shares	5,087	-	410,857	-	-	-	-	-	415,944	-	415,944
Repurchase of ordinary shares (Note 40(b))	-	(18,406)	-	-	-	-	-	-	(18,406)	-	(18,406)
Vesting of shares under share award scheme (Note 41)	-	3,847	6,990	-	-	-	(10,837)	-	-	-	-
Share-based compensation (Note 41)	-	-	-	-	-	-	8,881	-	8,881	-	8,881
2020 final dividends	-	-	-	-	-	-	-	(208,857)	(208,857)	-	(208,857)
Disposal of partial interest in subsidiaries	-	-	-	-	-	-	-	-	-	42,103	42,103
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	13,717	13,717
Acquisition of non-controlling interests	-	-	-	-	9	-	-	-	9	(260)	(251)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(12,202)	(12,202)
Balance at 31 December 2021 (Restated)	77,499	(46,760)	731,627	2,359,063	(65,761)	27,677	110,523	4,220,058	7,413,926	148,961	7,562,887

The notes on pages 16 to 124 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2022 (Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000 (Restated)
Cash flows from operating activities			
Cash generated from operations	42(a)	2,526,948	1,378,616
Income tax paid		(126,898)	(75,217)
Net cash generated from operating activities		<u>2,400,050</u>	<u>1,303,399</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(4,254,027)	(2,988,348)
Payments for right-of-use assets		(109,293)	(154,701)
Capital injection to joint ventures and an associate		(300,000)	(50,060)
Net cash inflow on disposal/liquidation of subsidiaries	42(b)	711,532	995,798
Net proceeds from disposal/liquidation of joint ventures		-	193,462
Net proceeds from disposal of associates		-	5,000
Net proceeds from disposal of property, plant and equipment	42(c)	1,197	498
Payments for acquisition of subsidiaries		-	(20)
Proceeds from disposal of other financial assets		6,049,039	3,399,055
Payments for acquisition of other financial assets		(6,028,827)	(3,387,548)
Dividends received from joint ventures and associates		54,000	91,721
Proceeds from dividends received from disposed subsidiaries		14,572	222,329
Receipts of government grants		-	10,407
Interest received		27,435	16,115
Placement of restricted deposits		(578,240)	(640,967)
Withdrawal of restricted deposits		640,967	327,610
Net cash used in investing activities		<u>(3,771,645)</u>	<u>(1,959,649)</u>

Consolidated statement of cash flows for the year ended 31 December 2022 (continued) (Expressed in RMB)

	Note	2022 RMB'000	2021 RMB'000 (Restated)
Cash flows from financing activities			
Payment for repurchase of shares of the Company	40(b)	(239,451)	(18,406)
Proceeds from bank borrowings		1,190,251	704,398
Repayment of bank borrowings		(253,837)	(887,142)
Proceeds from other borrowings		3,084,481	4,554,383
Repayment of other borrowings		(1,531,438)	(779,665)
Deposits placed		(49,656)	(148,831)
Repayment of lease liabilities		(12,037)	(12,590)
Repayment of senior notes	35	-	(761,153)
Repayment of outstanding convertible loan	31	(112,150)	(31,879)
Dividends paid to equity shareholders of the Company		(231,315)	(208,857)
Dividends paid to non-controlling interests		(23,209)	(4,868)
Proceeds from disposal of partial interests in subsidiaries without losing control		7,105	42,103
Payment for acquisitions of non-controlling interests of subsidiaries		(74,700)	(251)
Contributions by non-controlling interests		160,261	6,383
Interest paid		(637,001)	(562,669)
Net cash generated from financing activities		<u>1,277,304</u>	<u>1,890,956</u>
Net (decrease)/increase in cash and cash equivalents		(94,291)	1,234,706
Cash and cash equivalents at the beginning of the year		3,510,470	2,280,459
Effect of foreign exchange rate changes		<u>54,860</u>	<u>(4,695)</u>
Cash and cash equivalents at the end of the year		<u>3,471,039</u>	<u>3,510,470</u>
Analysis of balances of cash and cash equivalents			
Cash and bank balances	29	4,049,279	4,151,437
Restricted deposits	29	(578,240)	(640,967)
		<u>3,471,039</u>	<u>3,510,470</u>

The notes on pages 16 to 124 form part of these financial statements.

Notes to the financial statements

(Expressed in RMB unless otherwise indicated)

1 General information

Concord New Energy Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The address of its registered office is Suite 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong. The address of principal place of business is Rooms 204 to 205, China Wind Power Building, No. 9, South Shou Ti Road, Haidian District, Beijing, the People’s Republic of China (“PRC”).

During the year, the Company and its subsidiaries (together the “Group”) were involved in the following principal activities of operating and investment in power plants, provision of power plant operation and maintenance services, provision of design, technical and consultation services.

These consolidated financial statements are presented in Renminbi (“RMB”).

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

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

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

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*
- Amendments to HKFRS 3, *Business combinations: Reference to the conceptual framework*
- Annual Improvements to HKFRSs 2018-2020 Cycle

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

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021.

Summary of effects arising from initial application of HKAS 16

The table below summarizes the items affected in the Group’s consolidated statement of financial position for the year ended 31 December 2021 and the consolidated statement of profit and loss for the twelve months ended 31 December 2021, applicable to amendments to HKAS 16. Unaffected items are not included.

	As reported RMB’000	Adjustments RMB’000	Restated RMB’000
Impact on the consolidated statement of financial position			
Property, plant and equipment	11,840,303	9,406	11,849,709
Reserves	7,327,369	9,058	7,336,427
Non-controlling interests	148,613	348	148,961
Impact on the consolidated statement of profit or loss			
Revenue	2,183,048	12,492	2,195,540
Cost of sales and services rendered	(872,792)	(3,086)	(875,878)
Gross profit	1,310,256	9,406	1,319,662
Profit before income tax	930,189	9,406	939,595
Profit for the year	808,456	9,406	817,862

Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts— cost of fulfilling a contract*

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 January 2022, and has concluded that none of them is onerous.

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

Amendments to HKFRS 3, *Business combinations: Reference to the conceptual framework*

The amendments update the reference to the latest version of Conceptual Framework issued in March 2018, and add an exception to the requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability.

The exception relates to liabilities and contingent liabilities that would have been within the scope of HKAS 37 or HKFRIC-Int 21 if they were incurred separately rather than assumed in a business combination. Under the exception, when applying HKFRS 3 an entity should apply the more specific criteria in HKAS 37 or HKFRIC-Int 21 respectively (instead of the Conceptual Framework) to determine whether a present obligation exists at the acquisition date.

Annual Improvements to HKFRSs 2018-2020 Cycle

This package of annual improvements contains amendments to three standards, namely HKFRS 1, HKFRS 9 and HKAS 41, and an amendment to an illustrative example accompanying HKFRS 16.

The amendment to HKFRS 1 provides optional relief for the measurement of cumulative translation differences to those first-time adopters which take advantage of the exemption in paragraph D16(a) of HKFRS 1. Such entities are subsidiaries which become first-time adopters later than their parents.

The amendment to HKFRS 9 clarifies that only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf, are included when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

The amendment to illustrative example 13 accompanying HKFRS 16 removes from the fact pattern a reimbursement relating to leasehold improvements, as the example had not explained clearly whether the reimbursement would meet the definition of a lease incentive in HKFRS 16.

The amendment to HKAS 41 removes the requirement to exclude taxation cash flows when measuring fair value, thereby aligning the fair value measurement requirements in HKAS 41 with those in HKFRS 13.

Except for the effect of HKAS 16, none of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

2.2 New and amendments to HKFRSs in issue but not yet effective

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<i>Effective for accounting periods beginning on or after</i>
HKFRS 17, <i>Insurance contracts</i>	1 January 2023
Amendments to HKAS 1, <i>Presentation of financial statements</i> <i>“Classification of Liabilities as Current or Non-current”</i>	1 January 2023
Amendments to HKAS 1, <i>Presentation of financial statements</i> and HKFRS Practice Statement 2, <i>Making materiality judgements:</i> <i>Disclosure of accounting policies</i>	1 January 2023
Amendments to HKAS 8, <i>Accounting policies, changes in</i> <i>accounting estimates and errors: Definition of accounting</i> <i>estimates</i>	1 January 2023
Amendments to HKAS 12, <i>Income taxes: Deferred tax related to</i> <i>assets and liabilities arising from a single transaction</i>	1 January 2023
Amendments to HKAS 1, <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to HKFRS 16, <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to HKFRS 10 and IAS 28, <i>Sale or contribution of</i> <i>assets between an investor and its associate or joint venture</i>	To be decided

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3 Significant accounting policies

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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

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

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

3 Significant accounting policies (continued)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and a joint venture. Control is achieved when the Company:

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

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

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

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

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

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

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

3 Significant accounting policies (continued)

Changes in the Group's interests in existing subsidiaries

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

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

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

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

Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

3 Significant accounting policies (continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which the lease term ends within 12 months of the acquisition date; or the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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

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

Goodwill

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

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

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

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

3 Significant accounting policies (continued)

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

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

Investments in associates and joint ventures

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

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

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

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

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

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

3 Significant accounting policies (continued)

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

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

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

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

Non-current assets held for sale

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

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a noncontrolling interest in the relevant subsidiary after the sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for financial assets within the scope of HKFRS 9, which continue to be measured in accordance with the accounting policies as set out in respective sections. As long as a non-current asset is classified as held for sale, the non-current asset is not depreciated or amortised.

Revenue from contracts with customers

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

3 Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

3 Significant accounting policies (continued)

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

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

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

Variable consideration

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

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

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

Existence of significant financing component

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

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

3 Significant accounting policies (continued)

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

Principal versus agent

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

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

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

Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components of a contract

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

3 Significant accounting policies (continued)

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

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

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

Refundable rental deposits

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

3 Significant accounting policies (continued)

Lease liabilities

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

The lease payments include:

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

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

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

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

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

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

3 Significant accounting policies (continued)

Lease modifications

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

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

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

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

The Group as a lessor

Classification and measurement of leases

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

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

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

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

3 Significant accounting policies (continued)

Allocation of consideration to components of a contract

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

Refundable rental deposits

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

Lease modification

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

Sale and leaseback transactions

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

The Group as a seller-lessee

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

The Group as a buyer-lessor

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

Foreign currencies

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

3 Significant accounting policies (continued)

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

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

Borrowing costs

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

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

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

Government grants

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

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

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

Retirement benefit costs

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

3 Significant accounting policies (continued)

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

Short-term employee benefits

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

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

Share-based payment arrangements

Equity-settled share-based payment transactions

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

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

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

Taxation

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

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

3 Significant accounting policies (continued)

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

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

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

3 Significant accounting policies (continued)

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

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

Property, plant and equipment

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

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

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

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

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

3 Significant accounting policies (continued)

Buildings under development for future owner-occupied purpose

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

Intangible assets

Intangible assets acquired separately

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

Intangible assets acquired in a business combination

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

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

Impairment losses on tangible and intangible assets other than goodwill

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

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

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

3 Significant accounting policies (continued)

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

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

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

Inventories

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

Provisions and contingent liabilities

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

3 Significant accounting policies (continued)

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

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

Onerous contracts

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

3 Significant accounting policies (continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

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

A financial asset is classified as held for trading if:

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

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

3 Significant accounting policies (continued)

(i) Amortised cost and interest revenue

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

(ii) Financial assets at FVTPL

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

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

Impairment of financial assets, contract assets and lease receivables

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

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

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

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

3 Significant accounting policies (continued)

(i) Significant increase in credit risk

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

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

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

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

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

(ii) Definition of default

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

3 Significant accounting policies (continued)

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

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

3 Significant accounting policies (continued)

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

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

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

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

Equity instruments

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

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

3 Significant accounting policies (continued)

Financial liabilities

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

Financial liabilities at amortised cost

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

Financial guarantee contracts

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

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

Convertible loan contain debt and derivative components

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

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

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

Derecognition of financial liabilities

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

3 Significant accounting policies (continued)

Related parties

- (a) A person, or a close member of that person's family, is related to the group if that person:
 - (i) has control or joint control over the group;
 - (ii) has significant influence over the group; or
 - (iii) is a member of the key management personnel of the group or the group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

3 Significant accounting policies (continued)

Segment reporting

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

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

4 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying accounting policies

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

Revenue recognition on tariff subsidy on sales of electricity

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

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

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

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

In making their judgement, the directors of the Company, taking into account the legal opinion as advised by the Group’s legal advisor, considered that all of the Group’s power plants (including power plants held by the Group’s joint ventures and associates) of which tariff subsidy is recognised as revenue but yet to register in the List currently in operation had been qualified for and had met relevant requirements and conditions for the entitlement of the tariff subsidy when the electricity was delivered on grid.

The directors of the Company are confident that all of the Group’s operating power plants (including power plants operated by the Group’s joint ventures and associates) are able to be registered in the List in due course and it’s highly probable that the accrued revenue on tariff subsidy will be received but only subject to timing of allocation of funds from the PRC government.

As disclosed in Note 23, as at 31 December 2022, the tariff adjustment amounts of RMB Nil (2021: RMB62,696,000) was recognised in contract assets by the power plants which have not been included in the List.

Key sources of estimation uncertainty

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

Impairment of goodwill

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

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

As set out in Note 19 to the consolidated financial statements, the annual impairment review performed by the management involves assumptions, including estimated sales volumes and on-grid tariff of each wind farm, and discount rate, amongst others, that are subjective in nature and the Company is required to use judgement in applying such information. Depending on the complexity of deriving reasonable estimates of the recoverable amount of the CGU, the Group may perform such assessment utilising internal resources or the Group may engage external advisors to counsel the Group in making this assessment.

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

As at 31 December 2022, the carrying amount of goodwill was RMB787,716,000 (2021: RMB816,850,000). No impairments (2021: No impairments) was recognised during the current year. Details of the recoverable amount calculation are disclosed in Note 19.

5 Segment information

(a) Business segments

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

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

- Power generation segment - operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;
- Intelligent operation and maintenance segment - provision of operation and maintenance, asset management, overhaul and commissioning service for wind and solar power plants;
- "Others" segment - provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the "engineering, procurement and construction business"), provision of finance lease services and energy internet services.

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

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

5 Segment information (continued)

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

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

Segment revenues and results, and segment assets and liabilities.

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

	Power generation RMB'000	Intelligent operation and maintenance RMB'000	Others RMB'000	Segment total RMB'000	Elimination RMB'000	Total RMB'000
For the year ended 31 December 2022						
Segment revenue						
Sales to external customers*	2,114,106	279,092	286,170	2,679,368	-	2,679,368
Inter-segment revenues	-	113,456	481,844	595,300	(595,300)	-
	<u>2,114,106</u>	<u>392,548</u>	<u>768,014</u>	<u>3,274,668</u>	<u>(595,300)</u>	<u>2,679,368</u>
Segment results						
Unallocated other gains and losses, net	1,287,115	37,359	12,512	1,336,986	-	1,336,986
Unallocated income						318,991
Unallocated expenses						16,727
Interest revenue						(214)
Finance costs						27,435
						<u>(546,316)</u>
Profit before income tax						1,153,609
Income tax expense						<u>(227,840)</u>
Profit for the year						<u>925,769</u>
At 31 December 2022						
Segment assets	24,493,235	433,417	1,997,149	26,923,801	-	26,923,801
Unallocated assets						248,715
Total assets						<u>27,172,516</u>
Segment liabilities	(17,569,471)	(243,644)	(877,550)	(18,690,665)	-	(18,690,665)
Unallocated liabilities						<u>(386,959)</u>
Total liabilities						<u>(19,077,624)</u>

* Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,769,309,000 and RMB344,797,000, respectively.

5 Segment information (continued)

	Power generation RMB'000	Intelligent operation and maintenance RMB'000	Others RMB'000	Segment total RMB'000	Elimination RMB'000	Total RMB'000
	(Restated)			(Restated)		(Restated)
For the year ended 31 December 2021						
Segment revenue						
Sales to external customers*(as restated)	1,748,842	244,834	201,864	2,195,540	-	2,195,540
Inter-segment revenues	-	63,919	934,237	998,156	(998,156)	-
	<u>1,748,842</u>	<u>308,753</u>	<u>1,136,101</u>	<u>3,193,696</u>	<u>(998,156)</u>	<u>2,195,540</u>
Segment results (as restated)	1,109,177	26,690	5,003	1,140,870	-	1,140,870
Unallocated other gains and losses, net						181,113
Unallocated income						56,145
Unallocated expenses						(8,528)
Interest revenue						16,115
Finance costs						(446,120)
Profit before income tax (as restated)						939,595
Income tax expense						(121,733)
Profit for the year (as restated)						<u>817,862</u>
At 31 December 2021						
Segment assets (as restated)	21,284,614	320,156	2,236,737	23,841,507	-	23,841,507
Unallocated assets						203,311
Total assets						<u>24,044,818</u>
Segment liabilities	(14,909,021)	(127,663)	(1,060,252)	(16,096,936)	-	(16,096,936)
Unallocated liabilities						(384,995)
Total liabilities						<u>(16,481,931)</u>

* Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,553,401,000 (restated) and RMB195,441,000 (restated), respectively.

5 Segment information (continued)

Other segment information

For the year ended 31 December 2022

	Power generation RMB'000	Intelligent operation and maintenance RMB'000	Others RMB'000	Unallocated RMB'000	Total RMB'000
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>					
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	4,940,066	59,016	76,232	-	5,075,314
Depreciation of property, plant and equipment	536,671	6,292	8,458	-	551,421
Amortisation of other intangible assets and depreciation of right-of-use assets	36,322	-	4,380	-	40,702
Share-based compensation	26,880	471	2,168	-	29,519
Interests in joint ventures and associates	2,001,790	-	352,367	-	2,354,157
Share of profit of joint ventures and associates, net	170,119	-	1,000	-	171,119
<i>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</i>					
Loss on disposal of property, plant, and equipment	334	255	674	-	1,263
Reversal of impairment loss on amounts due from joint ventures	-	-	(2,181)	-	(2,181)
Recognition of impairment loss on other receivables	-	-	1,000	-	1,000
Interest revenue	(5,123)	(38)	(22,274)	-	(27,435)
Finance costs	537,132	1,366	7,818	-	546,316
Income tax expense	214,295	5,395	8,150	-	227,840

For the year ended 31 December 2021

	Power generation RMB'000 (Restated)	Intelligent operation and maintenance RMB'000	Others RMB'000	Unallocated RMB'000	Total RMB'000 (Restated)
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>					
Additions to non-current assets (including property, plant and equipment and right-of-use assets) (as restated)	6,094,149	11,857	5,511	-	6,111,517
Depreciation of property, plant and equipment (as restated)	431,589	8,120	11,343	-	451,052
Amortisation of other intangible assets and depreciation of right-of-use assets	33,073	-	4,586	-	37,659
Share-based compensation	7,937	118	826	-	8,881
Interests in joint ventures and associates	1,731,864	-	51,367	-	1,783,231
Share of profit/(loss) of joint ventures and associates, net	153,093	-	(582)	-	152,511
<i>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</i>					
Loss/(gain) on disposal of property, plant, and equipment	379	203	(189)	-	393
Reversal of impairment loss on trade receivables	-	-	(5,485)	-	(5,485)
Reversal of impairment loss on other receivables	(9,956)	-	(12,109)	-	(22,065)
Interest revenue	(2,087)	(80)	(13,948)	-	(16,115)
Finance costs	437,339	219	8,562	-	446,120
Income tax expense	90,041	2,352	29,340	-	121,733

5 Segment information (continued)

(b) Geographical segments

The Group's operations are mainly located in the PRC and the remaining operations are located in the United States of America and Hong Kong.

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

	<i>Revenue</i>		<i>Non-current assets</i>	
	<i>Year ended 31 December</i>		<i>At 31 December</i>	
	2022 RMB'000	2021 RMB'000 (Restated)	2022 RMB'000	2021 RMB'000 (Restated)
The PRC	2,651,650	2,172,494	19,735,082	15,716,291
Others	27,718	23,046	229,980	334,477
	<u>2,679,368</u>	<u>2,195,540</u>	<u>19,965,062</u>	<u>16,050,768</u>

(c) Information about major customers

Three (2021: Three) external customers individually contribute more than 10% of the total revenue of the Group. The revenue of these customers is summarized below:

	2022 RMB'000	2021 RMB'000 (Restated)
Customer A	410,675	369,337
Customer B	400,897	*
Customer C	325,512	254,378
Customer D	*	392,610

Revenue from customers above are attributable to power generation segment.

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

6 Revenue

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

	2022 RMB'000	2021 RMB'000 (Restated)
Revenue from contracts with customers		
Sales of electricity:		
Basic electricity price	1,687,148	1,221,300
Renewable energy subsidy (note (i))	401,464	527,542
Green energy certificates (note (ii))	25,494	-
Engineering, procurement and construction services	248,135	201,734
Power plant operation and maintenance services	259,369	196,531
Provision of technical and consultancy services	14,108	16,447
Provision of design services	13,406	10,284
Provision of agency service on sale of equipment	2,466	7,115
Other revenue	1,036	511
	<u>2,652,626</u>	<u>2,181,464</u>
Finance lease income	<u>26,742</u>	<u>14,076</u>
Total revenue	<u>2,679,368</u>	<u>2,195,540</u>

Notes:

- (i) Renewable energy subsidy is provided by the relevant PRC government authorities to the wind and solar power plants operating in the PRC, subject to the fulfilment of certain conditions. As further explained in Note 4, approval for the registration in the List is required before the allocation of renewable energy subsidy by the relevant PRC government authorities.
- (ii) According to the Work Plan for Pilot Green Power Trading approved by National Development and Reform Commission and National Energy Administration, wind power and solar power plants that are not included in the List can apply to obtain green energy certificate from National Renewable Energy Information Management Center to participate in green energy trading through power exchange centers. During the year ended 31 December 2022, the Group sells green energy certificates to other green energy participants and recognised relevant revenue with amount of RMB25,494,000.

6 Revenue (continued)

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

	2022 RMB'000	2021 RMB'000 (Restated)
Point in time:		
Sales of electricity	2,114,106	1,748,842
Provision of design services	13,406	10,284
Provision of technical and consultancy services	14,108	16,447
Provision of agency service on sale of equipment	2,466	7,115
Other revenue	1,036	511
	2,145,122	1,783,199
Over time:		
Power plant operation and maintenance services	259,369	196,531
Engineering, procurement and construction	248,135	201,734
	507,504	398,265
Revenue from contracts with customers	<u>2,652,626</u>	<u>2,181,464</u>

6 Revenue (continued)

Set out below is the reconciliation of the revenue with the amounts disclosed in the segment information.

	2022			2021		
	Segment revenue RMB'000	Elimination RMB'000	Consolidated revenue RMB'000	Segment revenue RMB'000 (Restated)	Elimination RMB'000 (Restated)	Consolidated RMB'000 (Restated)
Revenue from contracts with customers:						
Sales of electricity	2,114,106	-	2,114,106	1,748,842	-	1,748,842
Power plant operation and maintenance services	343,806	(84,437)	259,369	260,450	(63,919)	196,531
Engineering, procurement and construction	515,220	(267,085)	248,135	841,489	(639,755)	201,734
Provision of design services	58,872	(45,486)	13,406	56,319	(46,035)	10,284
Provision of technical and consultancy services	174,112	(160,004)	14,108	173,919	(157,472)	16,447
Provision of agency service on sale of equipment	35,046	(32,580)	2,466	90,110	(82,995)	7,115
Other revenue	1,036	-	1,036	511	-	511
Revenue from contracts with customers	3,242,198	(589,572)	2,652,626	3,171,640	(990,176)	2,181,464
Finance lease income	32,470	(5,728)	26,742	22,056	(7,980)	14,076
Total revenue	3,274,668	(595,300)	2,679,368	3,193,696	(998,156)	2,195,540

6 Revenue (continued)

Performance obligations for contracts with customers

The Group's revenue is mainly generated from the sale of electricity, the provision of power plant operation and maintenance services, provision of agency service on sale of equipment, the provision of design, technical and consultancy services, engineering, procurement and construction business and finance lease income.

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

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

The renewable energy subsidy related to power plants not yet registered in the List are classified as contract assets. Such contract assets are transferred to trade receivables upon the completion of the registration in the List. More details are set out in Note 23.

7 Other income

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

	2022 RMB'000	2021 RMB'000
Interest revenue	27,435	16,115
Government Grants:		
- Tax refunds (note (i))	16,098	12,360
- Others (including amortisation of deferred income in Note 38)	4,412	11,357
Guarantee income (note (ii))	7,108	7,658
Rental income	2,034	7,629
Claim compensation	-	25,842
Others	3,045	1,774
	<u>60,132</u>	<u>82,735</u>

Notes:

- (i) The amounts mainly represent refunds of value-added tax and other taxes received from the PRC tax authorities.
- (ii) The amounts mainly represent guarantee fees earned for providing financial guarantees to two associates (Note 39).

8 Other gains and losses, net

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

	2022 RMB'000	2021 RMB'000
Gain on disposal/liquidation of subsidiaries, net (Note 42(b))	255,589	259,766
Loss on disposal/liquidation of joint ventures and associates, net	-	(27,254)
Change in fair value of financial assets at FVTPL	82,736	78,154
Exchange gain/(loss), net	26,482	(1,348)
Fair value losses on derivative component of convertible loan	-	(172,636)
Gain on redemption of convertible loan	-	28,524
Impairment loss recognised for construction in progress (Note 17)	(39,139)	-
Loss on disposal of property, plant and equipment (Note 42(c))	(1,263)	(393)
Donation	(2,024)	(3,530)
Others	(4,571)	(7,720)
	<u>317,810</u>	<u>153,563</u>

9 Impairment losses under expected credit loss model, net of reversal

	2022 RMB'000	2021 RMB'000
Impairment loss recognised/(reversed) in respect of:		
- Trade and bills receivable (Note 24)	-	(5,485)
- Prepayments, deposits and other receivables (Note 25)	1,000	(22,065)
- Amounts due from joint ventures (Note 21)	(2,181)	-
	<u>(1,181)</u>	<u>(27,550)</u>

Details of impairment assessment of financial assets for the year ended 31 December 2022 are set out in Note 48(c).

10 Employee benefit expense (including directors' emoluments)

	2022 RMB'000	2021 RMB'000
Wages, salaries and bonuses	521,849	389,112
Pension costs-defined contribution plans (note (i))	52,658	45,209
Share-based compensation (Note 41)	29,519	8,881
	<u>604,026</u>	<u>443,202</u>
Less: Employee benefit expense capitalised (note (ii))	<u>(170,872)</u>	<u>(109,336)</u>
	<u>433,154</u>	<u>333,866</u>

Notes:

- (i) As at 31 December 2022, the Group had no significant forfeited contributions available to reduce its contributions to the pension scheme in future years (2021: Nil).
- (ii) Employee benefit expense has been capitalised as construction in progress under property, plant and equipment as at 31 December 2022.

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the current and prior year are all directors whose emoluments are reflected in the analysis shown in Note 11.

11 Directors' and chief executive's emoluments

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

For the year ended 31 December 2022:

Name	Fees RMB'000	Salary RMB'000	Share-based payment (note (i)) RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors:					
Liu Shunxing (Chairman)	-	6,456	2,665	16	9,137
Liu Jianhong (Vice Chairperson)	-	4,702	2,032	233	6,967
Gui Kai (Chief Executive Officer)	-	3,981	1,656	-	5,637
Niu Wenhui	-	4,012	1,656	155	5,823
Zhai Feng	-	3,129	1,545	156	4,830
Shang Jia (note (ii))	-	3,306	1,600	-	4,906
Non-executive director:					
Wang Feng	-	-	-	-	-
Independent non-executive directors:					
Yap Fat Suan, Henry	211	-	411	-	622
Jesse Zhixi Fang	211	-	411	-	622
Huang Jian	211	-	411	-	622
Zhang Zhong	211	-	411	-	622
Li Yongli (note (iv))	133	-	-	-	133
Total	977	25,586	12,798	560	39,921

For the year ended 31 December 2021:

Name	Fees RMB'000	Salary RMB'000	Share-based payment (note (i)) RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors:					
Liu Shunxing (Chairman)	-	5,986	1,966	15	7,967
Liu Jianhong (Vice Chairperson)	-	4,342	1,545	145	6,032
Gui Kai (Chief Executive Officer)	-	3,608	617	-	4,225
Niu Wenhui	-	3,329	617	145	4,091
Zhai Feng	-	2,684	201	142	3,027
Shang Jia (note (ii))	-	2,698	409	-	3,107
Shang Li (note (iii))	-	300	104	35	439
Non-executive director:					
Wang Feng	-	-	-	-	-
Independent non-executive directors:					
Yap Fat Suan, Henry	179	-	144	-	323
Jesse Zhixi Fang	179	-	144	-	323
Huang Jian	179	-	144	-	323
Zhang Zhong	179	-	144	-	323
Total	716	22,947	6,035	482	30,180

11 Directors' and chief executive's emoluments (continued)

Notes:

- (i) These represent amortisation of the fair value of shares award under the Scheme (Note 41) measured at the grant date and charged to the profit or loss during the reporting period.
- (ii) Ms. Shang Jia has been appointed as an executive director with effect from 7 April 2021.
- (iii) Mr. Shang Li resigned as an executive director of the Company with effect from 19 March 2021.
- (iv) Ms. Li Yongli has been appointed as an independent non-executive director with effect from 19 May 2022.

Save as those emoluments presented above, no other fees or emoluments were paid, have been or will be paid to the independent non-executive directors in respect of the current year (2021: nil).

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

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

12 Finance costs

	2022 RMB'000	2021 RMB'000
Interest expenses on:		
- Bank borrowings	69,951	45,062
- Other borrowings	533,401	414,173
- Senior notes (Note 35)	66,454	68,608
- Convertible loan	-	36,950
- Lease liabilities	5,223	4,685
	675,029	569,478
Less: Interest capitalised (note)	(128,713)	(123,358)
	546,316	446,120

Note:

During the year ended 31 December 2022, borrowing costs have been capitalised at various applicable rates ranging from 3.45% to 11.76% (2021: 3.9% to 11.76%) per annum for qualified assets classified as construction in progress under property, plant and equipment.

13 Profit before income tax

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

	2022 RMB'000	2021 RMB'000 (Restated)
Cost of sales and services rendered included:		
Direct operating costs for power generation	697,920	529,371
Cost of power plant operation and maintenance services	168,140	136,953
Cost of provision of design services	7,896	5,100
Cost of provision of technical and consultancy services	10,431	16,824
Cost of provision of agency service on sale of equipment	-	6,546
Cost of engineering, procurement and construction services	198,920	178,571
Cost of finance lease	829	685
Cost of other revenue	259	1,828
	<u>1,084,395</u>	<u>875,878</u>
Depreciation of property, plant and equipment	554,986	452,625
Depreciation of right-of-use assets	45,021	39,449
Amortisation of other intangible assets	97	97
Total depreciation and amortisation	600,104	492,171
Less: Amount capitalised as construction in progress under property, plant and equipment	<u>(7,981)</u>	<u>(3,460)</u>
Total depreciation and amortisation charged to profit or loss	592,123	488,711
Amounts included in cost of sales and services rendered	<u>(564,954)</u>	<u>(455,439)</u>
Amounts included in administrative expenses	<u>27,169</u>	<u>33,272</u>
Auditor's remuneration	<u>3,870</u>	<u>3,500</u>

14 Income tax expense

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

	2022 RMB'000	2021 RMB'000
Current tax		
- PRC corporate income tax	79,422	69,498
- PRC withholding tax	95,720	26,661
Under/(Over)-provision in prior years:		
PRC corporate income tax	4,013	(1,029)
Deferred tax (Note 37)	<u>48,685</u>	<u>26,603</u>
	<u>227,840</u>	<u>121,733</u>

No provision for taxation in Hong Kong has been made as the Group did not generate any assessable profits arising from Hong Kong during the year (2021: nil).

PRC corporate income tax is provided for at the rate of 25% (2021: 25%) for the year of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. During the year ended 31 December 2022, no provisions for income tax have been made in other jurisdictions as the Group had no assessable profit generated from other jurisdictions (2021: nil).

The law of the PRC on corporate income tax provides that qualified dividend income between two "resident corporates" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to 5% to 10% withholding tax under the tax treaty or the domestic law. The Group is currently subject to withholding tax at 5% to 10%.

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

14 Income tax expense (continued)

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

	2022 RMB'000	2021 RMB'000 (Restated)
Profit before income tax	1,153,609	939,595
Tax calculated at domestic income tax rate of 25% (2021: 25%) (note (i))	288,402	234,899
Effect of different tax rates of certain subsidiaries (note (ii))	(22,484)	1,195
Tax effect of share of results of associates and joint ventures	(42,812)	(37,951)
Tax effect of non-taxable income	(20,998)	(20,515)
Tax effect of non-deductible expenses	1,128	1,419
Under/(Over)-provision in prior years	4,013	(1,029)
Effects of tax holiday on assessable profits of subsidiaries established in the PRC (note (iii))	(133,336)	(138,489)
Tax effect of tax losses not recognised	41,094	58,893
Utilisation of previously unrecognised tax losses and unrecognised temporary differences	(7,604)	(20,392)
Tax effect of temporary differences not recognised	24,717	17,042
Recognition of withholding tax in current year	95,720	26,661
	<u>227,840</u>	<u>121,733</u>

Notes:

- (i) The domestic tax rate (which is PRC corporate income tax rate) in the jurisdiction where the operation of the Group is substantially based is used.
- (ii) Certain subsidiaries resided in western China or engaged in high-technology industry are entitled to preferential income tax rate of 9% and 15%, respectively (2021: 9% and 15%, respectively). The tax rate of subsidiaries resided in Hong Kong SAR is 16.5%.
- (iii) Certain subsidiaries of the Group established in the PRC are entitled to preferential tax treatments including three years exemption followed by three years of a 50% tax reduction. The first year exemption started from 2017 to 2022 (2021: 2016 to 2021).

15 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company of RMB871,817,000 (2021: RMB787,534,000 (restated)) by the weighted average number of 8,805,114,000 (2021: 8,325,227,000) ordinary shares in issue during the year, after adjusting the effect of shares repurchased and held under the Company's share award scheme.

The calculation of the weighted average number of ordinary shares is as follows:

	2022 '000	2021 '000
Issued ordinary shares at 1 January	8,985,329	8,366,855
Effect of shares converted	-	87,455
Effect of treasury shares (Note 40)	<u>(180,215)</u>	<u>(129,083)</u>
Weighted average number of shares in issue	<u>8,805,114</u>	<u>8,325,227</u>

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares from the share award scheme.

	2022 RMB'000	2021 RMB'000 (Restated)
Earnings:		
Earnings for the purpose of diluted earnings per share	<u>871,817</u>	<u>787,534</u>
	2022 '000	2021 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	8,805,114	8,325,227
Effect of dilutive potential ordinary shares:		
Share award scheme	<u>37,477</u>	<u>64,732</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>8,842,591</u>	<u>8,389,959</u>

16 Dividend

	2022 RMB'000	2021 RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2021 Final – HK\$0.03 (2020: HK\$0.03) per share	<u>230,272</u>	<u>208,857</u>

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2022 of HK\$0.035 per ordinary share has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming general meeting (2021: final dividend in respect of the year ended 31 December 2021 of HK\$0.03 per ordinary share has been proposed by the directors of the Company and approved by the shareholders at the general meeting held on 24 June 2022).

17 Property, plant and equipment

Cost:	Buildings RMB'000	Leasehold improvements RMB'000	Plant, machinery and equipment RMB'000	Office furniture and fixtures RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
As at 1 January 2022	503,142	27,762	9,915,369	82,439	64,801	2,698,091	13,291,604
Additions	509	32,366	9,806	6,223	15,980	4,869,910	4,934,794
Transfer from construction in progress	283,469	-	3,888,560	1,302	-	(4,173,331)	-
Reclassifications	(289,993)	-	289,993	-	-	-	-
Disposals (Note 42(c))	(120)	(52)	(7,492)	(12,594)	(6,077)	-	(26,335)
Disposal of subsidiaries (Note 42(b))	(68,282)	-	(1,400,942)	(1,879)	(521)	(68,738)	(1,540,362)
As at 31 December 2022	428,725	60,076	12,695,294	75,491	74,183	3,325,932	16,659,701
Less:							
accumulated depreciation:							
As at 1 January 2022	96,602	27,762	1,207,953	67,201	40,210	-	1,439,728
Charge for the year	28,669	-	505,135	14,528	6,654	-	554,986
Reclassifications	(12,151)	-	12,151	-	-	-	-
Disposals (Note 42(c))	(49)	(52)	(7,065)	(11,650)	(5,059)	-	(23,875)
Disposal of subsidiaries (Note 42(b))	(6,863)	-	(221,065)	(672)	(397)	-	(228,997)
As at 31 December 2022	106,208	27,710	1,497,109	69,407	41,408	-	1,741,842
Less:							
accumulated impairment loss							
As at 1 January 2022	44	-	-	-	-	2,123	2,167
Impairment loss charged for the year (note (d))	-	-	-	-	-	39,139	39,139
Disposal of subsidiaries (Note 42(b))	(44)	-	-	-	-	-	(44)
As at 31 December 2022	-	-	-	-	-	41,262	41,262
Net carrying value:							
As at 31 December 2022	322,517	32,366	11,198,185	6,084	32,775	3,284,670	14,876,597

17 Property, plant and equipment (continued)

Cost:		Buildings RMB'000	Leasehold improvements RMB'000	Plant, machinery and equipment RMB'000 (Restated)	Office furniture and fixtures RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
As at 1 January 2021		685,966	27,863	7,678,970	70,639	51,747	2,013,087	10,528,272
Additions (restated)		-	-	16,591	17,252	18,990	5,879,064	5,931,897
Disposals		-	-	(538)	(3,658)	(4,371)	-	(8,567)
Transfer from construction in progress		-	-	4,806,970	-	-	(4,806,970)	-
Disposal of subsidiaries		(182,824)	(101)	(2,586,624)	(1,794)	(1,565)	(387,090)	(3,159,998)
As at 31 December 2021 (restated)		503,142	27,762	9,915,369	82,439	64,801	2,698,091	13,291,604
Less:								
accumulated depreciation:								
As at 1 January 2021		98,718	27,863	940,768	65,695	35,935	-	1,168,979
Charge for the year (restated)		29,267	-	408,978	6,002	8,378	-	452,625
Disposals		-	-	(570)	(3,261)	(3,700)	-	(7,531)
Disposal of subsidiaries		(31,383)	(101)	(141,223)	(1,235)	(403)	-	(174,345)
As at 31 December 2021 (restated)		96,602	27,762	1,207,953	67,201	40,210	-	1,439,728
Less: accumulated impairment loss								
As at 1 January 2021		44	-	21,260	-	-	2,123	23,427
Disposal of subsidiaries		-	-	(21,260)	-	-	-	(21,260)
As at 31 December 2021		44	-	-	-	-	2,123	2,167
Net carrying value:								
As at 31 December 2021 (restated)		406,496	-	8,707,416	15,238	24,591	2,695,968	11,849,709

17 Property, plant and equipment (continued)

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

Buildings	20 to 25 years
Leasehold improvements	Over the shorter of useful lives of 5 years and lease terms
Plant, machinery and equipment	20 years
Office furniture and fixtures	3 to 5 years
Motor vehicles	5 years

- (b) During the year ended 31 December 2022, depreciation of RMB3,565,000 (2021: RMB1,573,000) has been capitalised as construction in progress under property, plant and equipment.
- (c) As at 31 December 2022, certain buildings and power plant equipment with an aggregate net carrying value of RMB237,432,000 (2021: RMB308,268,000), RMB8,575,305,000 (2021: RMB8,533,727,000), respectively, have been pledged to banks and certain financial institutions to secure banking facilities and other borrowings granted to the Group (Note 33 and Note 34).
- (d) During the year ended 31 December 2022, the Group reassessed the recoverable amounts of certain construction in progress in power generation segment due to the change of project development and construction plans, and as a result an impairment loss of RMB39,139,000 was provided and recognised in "Other gains and losses, net". The estimates of recoverable amount were based on the fair values less costs of disposal, using market comparison approach by reference to recent sales price of similar assets. The fair value on which the recoverable amount is based on is categorised as level 3 measurement.

18 Right-of-use assets

	Power plant equipment RMB'000	Leasehold lands RMB'000	Total RMB'000
As at 1 January 2022			
Net carrying amount	84,360	446,174	530,534
As at 31 December 2022			
Net carrying amount	68,938	490,270	559,208
For the year ended 31 December 2021			
Depreciation charge for the year	14,151	25,298	39,449
For the year ended 31 December 2022			
Depreciation charge for the year	15,422	29,599	45,021

18 Right-of-use assets (continued)

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

	2022 RMB'000	2021 RMB'000
Within operating cash flows	273	371
Within investing cash flows	109,293	154,701
Within financing cash flows	18,507	15,637
Total cash flow for leases (note(ii))	128,073	170,709

Notes:

- (i) During the year ended 31 December 2022, additions to right-of-use assets were RMB140,520,000 (2021: RMB179,620,000).
- (ii) These amounts include payments of capital and interest element of lease liabilities, payments for leases of low-value-assets and payments of lease payments on or before lease commencement date (including leasehold land). These amounts could be presented in operating, investing or financing cash flows.

For the years ended 31 December 2022 and 2021, the Group leases various machineries and leasehold lands for its operations. Lease contracts are entered into for fixed term of 2 years to 49 years, and do not contain extension or termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Details of the lease maturity analysis of lease liabilities are set out in Notes 36 and 48.

19 Intangible assets

	Goodwill RMB'000	Other intangible assets RMB'000	Total RMB'000
Net carrying value as at 1 January 2021	873,557	702	874,259
Amortisation	-	(97)	(97)
Disposal of joint ventures and associates	(14,101)	-	(14,101)
Disposal of subsidiaries (Note 42(b))	(42,606)	-	(42,606)
Net carrying value as at 31 December 2021	816,850	605	817,455
Amortisation	-	(97)	(97)
Disposal of subsidiaries (Note 42(b))	(29,134)	-	(29,134)
Net carrying value as at 31 December 2022	787,716	508	788,224

19 Intangible assets (continued)

Goodwill

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

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

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

	2022 RMB'000	2021 RMB'000
Investment in wind power plants	713,813	742,947
Engineering, procurement and construction ("EPC Business")	75,800	75,800
Power plant operations and maintenance	60,687	60,687
	850,300	879,434
Less: Impairment	(62,584)	(62,584)
	<u>787,716</u>	<u>816,850</u>

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

Investment in wind power plants CGUs

The recoverable amount is determined based on fair value less costs of disposal calculations. These calculations use cash flow projections based on the financial forecast covering the forecast period and pre-tax discount rate of 17.04% for operating projects and 19.71% for under-construction projects (2021: 14.53% for operating projects and 14.93% for under-construction projects). Cash flows beyond the forecast period are extrapolated at zero % (2021: zero %) growth rate. The cash flows and discount rate reflect assumptions that market participants would use when pricing the relevant CGUs. Key assumptions include estimated sales volumes and on-grid tariffs from the Group's existing and forthcoming projects and discount rate. The management determined these key assumptions based on past performance and expectations on market development.

19 Intangible assets (continued)

The following analysis demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in discount rate and power generation volume, with all other variables held constant, under which no further impairment is required.

If discount rate applied increased/decreased 1% (2021: 1%) and all other variables were held constant, the Group's recoverable amount of the CGUs as at 31 December 2022 would have decreased/increased by RMB1,486,354,000/RMB1,660,293,000 (2021: RMB1,440,944,000/RMB1,623,574,000).

If power generation volume increased/decreased by 5% (2021: 5%) and all other variables were held constant, the Group's recoverable amount of the CGUs as at 31 December 2022 would have increased/decreased by RMB2,469,037,000/RMB2,475,707,000 (2021: RMB2,490,247,000/RMB2,495,030,000).

EPC Business CGUs

The recoverable amount is determined based on a value in use calculation using cash flow projections based on financial budgets covering the forecast period approved by senior management. The pre-tax discount rate applied to the cash flow projections was 15% (2021: 15.0%) and cash flows beyond the five-year period were extrapolated using a growth rate of zero% (2021: zero %). Key assumptions include estimated revenue growth rate and discount rate. The management determined these key assumptions based on past performance and expectation on market development.

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

Power plant operations and maintenance CGUs

The recoverable amount of the CGUs is determined based on a value in use calculation using cash flow projections based on financial budgets covering the forecast period approved by senior management. The pre-tax discount rate applied to the cash flow projections was 15% (2021: 15.0%) and cash flows beyond the five-year period were extrapolated, using a growth rate of zero % (2021: zero %). Key assumptions include estimated service revenue, expected profit margin and discount rate. The management determined these key assumptions based on past performance and expectations on market development.

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

20 Interests in associates and balances with associates

	2022 RMB'000	2021 RMB'000
Non-current assets		
Cost of investment in associates	715,050	415,050
Share of post-acquisition results and other comprehensive income, net of dividends received	60,984	94,980
Share of net assets of associates (note (i))	776,034	510,030
Current assets		
Amounts due from associates (note (ii))	10,110	12,849
Other receivables from associates (note (iii))	48,073	40,743
Finance lease receivables	29,959	33,473
	88,142	87,065
Less: Allowance for amounts due from associates	2,307	2,307
	85,835	84,758
Current liabilities		
Amounts due to associates	(2,540)	-

Notes:

- (i) As at 31 December 2022 and 2021, particulars of the principal associates are as follows:

Name of associates	Place of establishment and operations and kind of legal entity	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2022	2021	
Fuxin Taihe Wind Power Co., Ltd. ("Fuxin Taihe")	The PRC, limited company	30%	30%	Wind power plant investment and operation
Changtu Liaoneng Xiexin Wind Power Co., Ltd.	The PRC, Sino-foreign equity joint venture	25%	25%	Wind power plant investment and operation
Jilin Province Zhanyu Wind Power Assets Management Co., Ltd.	The PRC, limited company	17.15% (note)	17.15% (note)	Wind power plant investment and operation
Chaoyang Century Concord Wanjia Wind Power Co., Ltd.	The PRC, limited company	30%	30%	Wind power plant investment and operation
Daoxian Century Concord Wind Power Co., Ltd.	The PRC, limited company	25%	25%	Wind power plant investment and operation
Daoxian Jingtang Century Concord Wind Power Co., Ltd.	The PRC, limited company	25%	25%	Wind power plant investment and operation

20 Interests in associates and balances with associates (continued)

Name of associates	Place of establishment and operations and kind of legal entity	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2022	2021	
Harbin Maitu Precision Technology Co., Ltd	The PRC, limited company	16.67%	N/A	Medical research and experimental development
Harbin Beike Health Technology Co., Ltd	The PRC, limited company	20%	N/A	Medical research and experimental development

Note:

Even though the Group holds less than 20% of the voting rights of this investee, the Group demonstrates significant influences over this investee by holding a seat on the board of directors for a board with 10 members and the 10 members each represent respective shareholders of this investee, and the Group is the second highest percentage in total shareholding of the investee while the largest shareholder hold 18.55% equity interest in this investee.

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

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

	2022 RMB'000	2021 RMB'000
Within 3 months	7,803	10,542
	<u>7,803</u>	<u>10,542</u>

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

Summarized financial information of associates

Set out below is the summarized unaudited financial information for Fuxin Taihe, a principal associate of the Group in the opinion of the directors of the Company, prepared under HKFRSs which is accounted for using the equity method.

20 Interests in associates and balances with associates (continued)

Fuxin Taihe

Summarized statement of financial position

	2022 RMB'000	2021 RMB'000
Current assets	284,860	255,161
Non-current assets	404,987	449,353
Current liabilities	(56,906)	(53,488)
Non-current liabilities	(218,500)	(161,300)
Net assets	414,441	489,726

Summarized statement of profit or loss and other comprehensive income

	2022 RMB'000	2021 RMB'000
Revenue	103,631	105,268
Depreciation and amortisation	(36,958)	(37,767)
Finance costs	(9,865)	(11,246)
Other expenses	(10,872)	(12,333)
Profit before income tax	45,936	43,922
Income tax expense	(11,221)	(12,052)
Profit and other comprehensive income for the year	34,715	31,870
Dividend received from the associate during the year	30,000	3,000
Share of profit and other comprehensive income by the Group	10,415	9,561

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2022 RMB'000	2021 RMB'000
Net assets of Fuxin Taihe as at 31 December	414,441	489,726
The Group's shareholding in Fuxin Taihe	30%	30%
The Group's share of net assets of Fuxin Taihe	124,332	146,918
Unrealised profits, net	1,069	(2,084)
Carrying amount of the Group's interest in Fuxin Taihe	125,401	144,834

20 Interests in associates and balances with associates (continued)

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

	2022 RMB'000	2021 RMB'000
Aggregate carrying amount of the Group's interests in these associates	<u>650,633</u>	<u>365,196</u>
The Group's share of profit and other comprehensive income for the year	<u>9,589</u>	<u>8,704</u>

21 Interests in joint ventures and balances with joint ventures

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

	2022 RMB'000	2021 RMB'000
Non-current assets		
Cost of investment in joint ventures	1,331,663	1,177,856
Share of post-acquisition results and other comprehensive income, net of dividends received	<u>246,460</u>	<u>95,345</u>
Share of net assets of joint ventures (note (i))	<u>1,578,123</u>	<u>1,273,201</u>
Current assets		
Amounts due from joint ventures (note (ii))	<u>90,563</u>	<u>31,365</u>
	90,563	31,365
Less:		
- Allowance for amounts due from joint ventures (note (ii))	<u>-</u>	<u>2,181</u>
	<u>90,563</u>	<u>29,184</u>
Current liabilities		
Amounts due to joint ventures	<u>(156)</u>	<u>(155)</u>

21 Interests in joint ventures and balances with joint ventures (continued)

Notes:

- (i) As at 31 December 2022 and 2021, particulars of the principal joint ventures are as follows:

Name of joint ventures	Place of establishment and operations and kind of legal entity	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		Principal activities
		2022	2021	2022	2021	
Jilin CWP-Milestone Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Erlanhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Jilin Taihe Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Tongliao Taihe Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Mengdong Century Concord New Energy Co., Ltd.	The PRC, limited Company	32.16%	32.16%	50%	50%	Wind power plant investment and operation
Gansu Guazhou Century Concord Wind Power Co., Ltd.	The PRC, limited Company	51.45%	51.45%	50%	50%	Wind power plant investment and operation
Suzhou Century Concord Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Xiaoxian Century Concord Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Jianghua Yao Autonomous County Century Concord Wind Power Co., Ltd.	The PRC, limited company	59.3%	59.3%	50%	50%	Wind power plant investment and operation
Jingmen Century Concord Wind Power Co., Ltd.	The PRC, limited Company	59.3%	59.3%	50%	50%	Wind power plant investment and operation
Hebi Century Junlong Wind Power Co., Ltd.	The PRC, limited Company	59.3%	59.3%	50%	50%	Wind power plant investment and operation
Yantai Yihao New Energy Development Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Yantai Jinghui Consulting Co., Ltd.(Yantai Jinghui)*	The PRC, limited Company	49%	58.5%	50%	58.5%	Wind power plant investment and operation

21 Interests in joint ventures and balances with joint ventures (continued)

- * During the year ended 31 December 2022, the Group acquired the 41.5% non-controlling interests of Yantai Jinghui from 5 individual persons, one of them is the director of the Company, and then disposed of 51% interests in Yantai Jinghui to a third party. After the above transactions, the Group lost control of Yantai Jinghui with remaining 49% equity interests in Yantai Jinghui and the 51% equity interests in Yantai Jinghui was held by the third party which is independent to the Group. Under the joint venture agreement, at least two-thirds of the voting rights are required for decision on directing the relevant activities of Yulong, the directors are of the opinion that the Group's interest in Yulong is accounted for as a joint venture (see Note 42(b)).
- (ii) Amounts due from joint ventures included trade receivables from joint ventures amounted RMB4,894,000 (2021: RMB11,124,000), which were netted of impairment loss of RMB nil (2021: RMB2,181,000), are unsecured, interest-free and repayable according to the terms of the relevant contracts. The remaining balances of RMB85,669,000 (2021: RMB18,060,000) are unsecured, interest-free and repayable on demand.

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

	<i>Lifetime ECL (credit-impaired) 2022 RMB'000</i>	<i>Lifetime ECL (credit-impaired) 2021 RMB'000</i>
At 1 January	2,181	2,181
Impairment loss reversed during the year, net	(2,181)	-
At 31 December	-	2,181

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

	<i>2022 RMB'000</i>	<i>2021 RMB'000</i>
Within 3 months	4,349	4,223
3 to 6 months	545	-
Over 1 year	-	6,901
	<u>4,894</u>	<u>11,124</u>

21 Interests in joint ventures and balances with joint ventures (continued)

Summarized financial information of joint ventures

The Group's joint ventures are involved in wind power plant investments and operations and related activities in the PRC, and each joint venture involved in wind power plant investments and operations has similar risks and returns. Accordingly, the directors of the Company have considered that it is appropriate to aggregate the disclosures in accordance with HKFRS 12 *Disclosure of Interests in Other Entities* and present the summarized financial information of the Group's joint ventures engaged in the same principal activities on an aggregate basis.

Summarized aggregate financial information of the Group's joint ventures engaged in wind power plant investments and operations is as follows:

	2022 RMB'000	2021 RMB'000
Current assets	2,181,002	2,385,374
Non-current assets	5,728,662	5,782,836
Current liabilities	(1,556,693)	(1,795,582)
Non-current liabilities	(2,988,063)	(3,403,015)
Net assets	3,364,908	2,969,613

The above amounts of assets and liabilities include the following:

	2022 RMB'000	2021 RMB'000
Cash and cash equivalents	487,887	201,846
Current financial liabilities (excluding trade payables and other payables)	(808,576)	(783,637)
Non-current financial liabilities	(2,987,809)	(3,403,015)

	2022 RMB'000	2021 RMB'000
Revenue	1,243,365	1,277,882
Depreciation and amortisation	(435,104)	(449,452)
Interest expense	(170,287)	(200,749)
Other expenses	(218,059)	(232,150)
Profit before income tax	419,915	395,531
Income tax expense	(76,277)	(80,724)
Net profit and other comprehensive income for the year	343,638	314,807
Dividend received from these joint ventures during the year	-	79,351

22 Financial assets at fair value through profit or loss

	2022 RMB'000	2021 RMB'000
Unlisted equity securities, at fair value (note)	66,782	76,631
Listed equity securities, at fair value	85,565	-
RMB wealth management products	210	10,000
	<u>152,557</u>	<u>86,631</u>
Analysed for reporting purpose as:		
Current assets	138,841	10,000
Non-current assets	<u>13,716</u>	<u>76,631</u>
	<u>152,557</u>	<u>86,631</u>

Note:

The unlisted equity securities represent investment in equity securities issued by private entities established and operate in the PRC and the United States.

23 Contract assets

	2022 RMB'000	2021 RMB'000
Tariff adjustment amounts (note)	-	62,696
Retention receivables	186,939	254,758
Contract assets arising from performance under construction contracts	<u>19,789</u>	<u>28,394</u>
	206,728	345,848
Impairment loss on contract assets	<u>-</u>	<u>-</u>
	<u>206,728</u>	<u>345,848</u>
Analysed for reporting purposes as:		
Current assets	<u>206,728</u>	<u>345,848</u>
	<u>206,728</u>	<u>345,848</u>

23 Contract assets (continued)

Note:

Tariff adjustment amounts represented government subsidies on renewable energy for ground projects to be received from the state grid companies based on the existing government policies.

As mentioned in Note 4, pursuant to the Tariff Notice, a set of standardized procedures for the settlement of the tariff subsidy has come into force since 2013 and according to several new notices issued in 2020, approvals for the registration in the List on a project-by-project basis are required before the allocation of funds to the state grid companies, which then would make settlement to the Group.

The directors of the Company are of the opinion that the recognition of accrued revenue on tariff subsidy is proper based on their judgement and taking into account the opinion from the Group's legal advisor, that all of the Group's power plants of which tariff subsidy is recognised as revenue but yet to register in the List had been qualified for, and had met, all the requirements and conditions as required according to the requirements and conditions for the registration in the List. The directors of the Company are confident that all of the Group's operating power plants (including power plants operated by the Group's joint ventures and associates) are able to be registered in the List in due course and the tariff subsidy is fully funded by the PRC government but subject to timing of allocation of funds from the PRC government.

As at 31 December 2022, none of the tariff adjustment amounts was recognised in contract assets as all power plants of the Group have been registered in the List (2021: RMB 62,696,000).

Tariff adjustment amounts classified under contract assets are transferred to trade receivables when the Group's respective power plants are registered in the List pursuant to the prevailing national government policies on renewable energy.

In respect of the revenue from the sale of electricity by power plants not yet registered in the List, the directors of the Company have evaluated the terms and conditions of, and the counterparties to, the contracts which may impact revenue recognition. The related receivables are mainly from the PRC state grid companies, which would normally be settled within two year based on past experience.

24 Trade and bills receivable

	2022 RMB'000	2021 RMB'000
Trade receivables, at amortised cost (note (i))	552,868	444,791
Tariff adjustment receivables, at amortised cost (note (ii))	811,282	1,270,491
Bills receivable, at FVTPL (note (iii))	8,564	85,164
	<u>1,372,714</u>	<u>1,800,446</u>
Impairment loss on trade receivables (note (i))	<u>(3,092)</u>	<u>(4,498)</u>
	<u>1,369,622</u>	<u>1,795,948</u>

24 Trade and bills receivable (continued)

The Group does not hold any collaterals over trade and bills receivable as security.

Details of impairment assessment of trade receivables for the year ended 31 December 2022 are set out in Note 48.

Notes:

(i) Trade receivables

The Group's trade receivables include receivables from the sale of electricity, provision of construction and other services. The Group's credit terms granted to customers ranging from 30 to 180 days. For certain construction projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the contracts signed between the Group and its customers.

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

	<i>Lifetime ECL (credit-impaired) 2022 RMB'000</i>	<i>Lifetime ECL (credit-impaired) 2021 RMB'000</i>
At 1 January	4,498	9,983
Impairment reversed during the year, net	-	(5,485)
Written-off during the year	(1,406)	-
At 31 December	<u>3,092</u>	<u>4,498</u>

As at 31 December 2022, the ageing analysis of the trade receivables, net of allowance for credit losses, presented based on invoice date, is as follows:

	<i>2022 RMB'000</i>	<i>2021 RMB'000</i>
Within 3 months	342,775	321,425
3 to 6 months	49,612	83,135
6 to 12 months	54,356	18,084
1 to 2 years	86,759	5,877
Over 2 years	16,274	11,772
	<u>549,776</u>	<u>440,293</u>

Certain of the Group's bank borrowings (Note 33) are pledged by the cash receipts from the sale of electricity by certain of the Group's power plants.

24 Trade and bills receivable (continued)

(ii) Tariff adjustment receivables

An ageing analysis of the tariff adjustment receivables, net of allowance for credit losses, based on the revenue recognition date, is as follows:

	2022 RMB'000	2021 RMB'000
Within 3 months	106,622	155,023
3 to 6 months	82,315	174,391
6 to 12 months	196,455	246,371
Over 1 year	425,890	694,706
	<u>811,282</u>	<u>1,270,491</u>

Tariff adjustment receivables from the sale of electricity mainly represent receivables from the state grid companies. The collection of the tariff adjustment receivables is subject to settlement by state grid companies upon finalisation of the allocation of funds by relevant PRC government authorities to the state grid companies.

(iii) Bills receivable

As at 31 December 2022, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Bills") to certain of its suppliers in order to settle the trade payables for these suppliers with amount of RMB784,006,000 (2021: RMB1,275,615,000). The Bills have a maturity of one to six months at the end of the reporting period. The directors of the Company are of the opinion that the Group has transferred substantially all risks and rewards relating to the Bills. Accordingly, it has derecognised the full carrying amounts of the Bills and the associated liabilities.

All of bills receivable of the Group are with a maturity period of less than one year.

Upon the adoption of HKFRS 9, the Group's bills receivable are recognised as financial assets at FVTPL as the bills receivable are held for sale.

25 Prepayments, deposits and other receivables

	2022 RMB'000	2021 RMB'000
Prepayments for purchase of property, plant and equipment	217,995	216,437
Other prepayments	148,355	131,826
Deposits for other borrowings (Note 34)	240,343	190,687
Other deposits	146,903	122,129
Receivables from disposal of subsidiaries	150,687	199,476
Receivables from former subsidiaries	101,633	435,561
Receivables on disposal of a convertible bond	37,192	37,192
Other receivables	38,910	25,102
Deductible VAT (note(i))	1,195,520	968,972
Premium receivables for financial guarantee contracts	18,137	24,434
	2,295,675	2,351,816
Less: loss allowance (note (ii))	(13,790)	(15,319)
	2,281,885	2,336,497
Less: Non-current portion		
Prepayments for purchase of property, plant and equipment	217,995	216,437
Deposits for other borrowings	240,343	190,687
Other deposits and prepayments	100,445	70,205
Premium receivables for financial guarantee contracts	10,602	17,115
Other receivables	34,180	12,668
Deductible VAT (note (i))	1,068,435	853,402
	1,672,000	1,360,514
Less: loss allowance (note (ii))	(5,600)	(5,600)
Non-current portion classified under non- current assets	1,666,400	1,354,914
Current portion classified under current assets	615,485	981,583

25 Prepayments, deposits and other receivables (continued)

Notes:

- (i) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment
- (ii) The movements of the impairment loss are as follows:

	<i>Lifetime ECL (credit-impaired) 2022 RMB'000</i>	<i>Lifetime ECL (credit-impaired) 2021 RMB'000</i>
At 1 January	15,319	41,952
Impairment recognised/(reversed) during the year, net	1,000	(22,065)
Written-off	(2,529)	(4,568)
At 31 December	<u>13,790</u>	<u>15,319</u>

Details of impairment assessment of other receivables for the year ended 31 December 2022 are set out in Note 48.

26 Finance lease receivables

	<i>2022 RMB'000</i>	<i>2021 RMB'000</i>
Analysed for reporting purposes as:		
Current assets	32,599	17,171
Non-current assets	<u>164,993</u>	<u>91,426</u>
	<u>197,592</u>	<u>108,597</u>

During the year ended 31 December 2022, the Group entered into finance lease arrangements for certain of its machines and equipment. The period of finance leases entered into is ranged from 3 to 11 years.

26 Finance lease receivables (continued)

	<i>Minimum lease payments</i>		<i>Present value of minimum lease payments</i>	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Finance lease receivables comprise:				
Within 1 year	47,242	25,411	32,599	17,171
1 to 2 years	44,376	25,669	32,602	18,902
2 to 5 years	107,838	63,360	87,844	51,139
Over 5 years	49,748	24,289	44,547	21,385
	249,204	138,729	197,592	108,597
Less: unrealised finance income	(51,612)	(30,132)	N/A	N/A
	197,592	108,597	197,592	108,597

Effective interest rates of the above finance leases range from 7.33% to 9.48% per annum.

Finance lease receivables are secured over the machines and equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

Details of impairment assessment of finance lease receivables for the year ended 31 December 2022 are set out in Note 48.

27 Loan receivables

	2022 RMB'000	2021 RMB'000
Variable-rate loan receivables	61,587	59,572
Analysed for reporting purposes as:		
Current assets	16,347	9,909
Non-current assets	45,240	49,663
	61,587	59,572

During the year ended 31 December 2022, the Group engaged in several sales and leaseback transactions as a buyer-lessor, in which the transfer of assets did not satisfy the requirements of HKFRS 15 to be accounted for as a sale from the point of the view of the lessee. Therefore, the Group recognised the transfer amount as loan receivables.

27 Loan receivables (continued)

The exposure of the Group's variable-rate loan receivables to interest rate risks and relevant contractual maturity dates are as follows:

	2022 RMB'000	2021 RMB'000
Variable-rate loan receivables		
Within 1 year	20,486	14,014
2 to 5 years	49,310	56,493
Over 5 years	692	329
	<u>70,488</u>	<u>70,836</u>
Less: unrealised finance income	<u>(8,901)</u>	<u>(11,264)</u>
	<u>61,587</u>	<u>59,572</u>

Details of impairment assessment of loan receivables for the year ended 31 December 2022 are set out in Note 48.

28 Inventories

	2022 RMB'000	2021 RMB'000
Raw materials	721	465
Work in progress	2,735	13,321
Spare parts and others	55,740	13,893
	<u>59,196</u>	<u>27,679</u>

The cost of inventories recognised as expense and included in profit or loss amounted to RMB73,049,000 (2021: RMB47,104,000).

29 Cash and cash equivalents

	2022 RMB'000	2021 RMB'000
Cash and bank balances	4,049,279	4,151,437
Less: Restricted deposits (note)	<u>(578,240)</u>	<u>(640,967)</u>
Cash and cash equivalents	<u>3,471,039</u>	<u>3,510,470</u>

29 Cash and cash equivalents (continued)

The Group's cash and cash equivalents denominated in foreign currencies, which are not respective entities' functional currencies, are set out below:

	2022 RMB'000	2021 RMB'000
Denominated in:		
- RMB	51,281	16,487
- HK\$	106	64
- US\$	331,205	540,739
	<u>382,592</u>	<u>557,290</u>

Note: The restricted deposits mainly represent bank acceptance bill deposits and electricity sale guarantee deposits.

As at 31 December 2022, the weighted average effective interest rate on the Group's bank balances is 0.25% (2021: 0.3%) per annum.

30 Trade and bills payable

	2022 RMB'000	2021 RMB'000
Trade payable	500,932	473,568
Bills payable	761,638	604,970
	<u>1,262,570</u>	<u>1,078,538</u>

As at 31 December 2022, retention payables in respect of construction contracts are included in trade payables with amount of RMB204,660,000 (2021: RMB282,305,000) which are normally repayable more than 1 year. The average credit period on purchase of goods is approximately one year (2021: one year).

As at 31 December 2022, the maturity date of bills payable was within 6 and 12 months (2021: within 6 and 12 months).

An ageing analysis of the trade payables based on invoice date is as follows:

	2022 RMB'000	2021 RMB'000
Within 3 months	94,006	66,186
3 to 6 months	60,287	44,233
6 to 12 months	7,041	2,451
1 to 2 years	33,755	10,069
Over 2 years	305,843	350,629
	<u>500,932</u>	<u>473,568</u>

31 Payables for construction in progress, other payables and accruals

	2022 RMB'000	2021 RMB'000
Payables for construction in progress	2,115,696	2,256,511
Retention payables	1,030,618	917,272
Deposits received for disposals of subsidiaries	2,500	2,500
Payables for redemption of convertible loan	-	112,150
Other payables and accruals	<u>333,678</u>	<u>269,184</u>
	3,482,492	3,557,617
Less: balances repayable after one year and shown under non-current liabilities	<u>(745,976)</u>	<u>(541,364)</u>
Current portion classified under current liabilities	<u><u>2,736,516</u></u>	<u><u>3,016,253</u></u>

32 Contract liabilities

	2022 RMB'000	2021 RMB'000
Construction contracts - Billings in advance of performance	<u>59,325</u>	<u>139,301</u>

33 Bank borrowings

	2022 RMB'000	2021 RMB'000
Secured	1,911,717	910,840
Unsecured	<u>353,210</u>	<u>380,762</u>
Total bank borrowings	<u><u>2,264,927</u></u>	<u><u>1,291,602</u></u>

The secured bank borrowings are secured by certain buildings and power plant equipment of the Group (Note 17), cash receipts from the sale of electricity by certain of the Group's power plants (Note 24) and certain equity interests in subsidiaries.

33 Bank borrowings (continued)

The carrying amounts of bank borrowings are repayable as follows*:

	2022 RMB'000	2021 RMB'000
Within 1 year	979,411	526,106
Between 1 and 2 years	100,667	246,052
Between 2 and 5 years	307,978	240,224
Over 5 years	876,871	279,220
	<u>2,264,927</u>	<u>1,291,602</u>
Less: Amounts due within one year shown under current liabilities	<u>(979,411)</u>	<u>(526,106)</u>
Amounts shown under non-current liabilities	<u>1,285,516</u>	<u>765,496</u>

* The above amounts due are based on scheduled repayment dates set out in the respective loan agreements.

The interest rate risk exposure of the Group's bank borrowings are as follows:

	2022 RMB'000	2021 RMB'000
Fixed rate bank borrowings	228,409	254,465
Variable rate bank borrowings	<u>2,036,518</u>	<u>1,037,137</u>
	<u>2,264,927</u>	<u>1,291,602</u>

The ranges of effective interest rates on the Group's bank borrowings are as follows:

	2022 RMB'000	2021 RMB'000
Effective interest rate:		
Variable rate bank borrowings	2.7%-5.2%	2.9% - 5.3%
Fixed rate bank borrowings	<u>3.4%-4.5%</u>	<u>1.0% - 4.5%</u>

The fair values of bank borrowings are estimated using discounted cash flow calculations based on the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debts. The carrying amounts of non-current bank borrowings approximate their fair values at each end of the reporting period.

34 Other borrowings

	2022 RMB'000	2021 RMB'000
Analysed for reporting purposes as:		
Current liabilities	734,782	861,763
Non-current liabilities	<u>10,321,434</u>	<u>8,786,142</u>
	<u>11,056,216</u>	<u>9,647,905</u>

During the year, the Group has entered into agreements (the "Agreements") with certain PRC financial institutions (the "Financial Institution") and the Group drew down RMB 3,812,177,000 (2021: RMB 6,417,307,000) in aggregate from the Financial Institutions of which RMB727,696,000 (2021: RMB1,862,924,000) was received in the form of bank-acceptance bills. Such borrowings are to be repayable in 2023 to 2038 with variable interest rate ranging from 4.25% to 5.5% per annum (2021: ranging from 4.8% to 6.13% per annum).

The collaterals for other borrowings are as follow:

- (i) The Group transferred certain ownership titles of certain property, plant and equipment to the Financial Institutions.
- (ii) The Group entered into financial guarantee contracts in favor of the Financial Institutions for the due performance of the Group's obligations under the Agreements.
- (iii) Upon the discharging all the Group's obligations under the Agreements, the Financial Institutions will return those ownership titles of property, plant and equipment to the Group for nominal considerations. Despite the Agreements involved a legal form of a lease, the Group accounted for the Agreements as collateralised borrowing in accordance with the actual substance of the Agreements.
- (iv) An aggregate amount of security deposits of RMB309,673,000 placed with the Financial Institutions as at 31 December 2022 (2021: RMB272,217,000), of which RMB69,330,000 could be offset with certain repayment instalments as agreed with the Financial Institutions (2021: RMB81,530,000).
- (v) Other borrowings are secured by certain equity interests in subsidiaries with an aggregated amount of RMB 3,132,215,000 as at 31 December 2022 (2021: RMB3,020,629,000).

The carrying amounts of other borrowings are repayable as follows:

	2022 RMB'000	2021 RMB'000
Within 1 year	734,782	861,763
Between 1 and 2 years	734,881	950,627
Between 2 and 5 years	3,519,321	2,366,776
Over 5 years	<u>6,067,232</u>	<u>5,468,739</u>
	<u>11,056,216</u>	<u>9,647,905</u>

35 Senior notes

The movements of senior notes issued by the Group during the year are as follows:

	Senior notes (note) RMB'000		
Carrying amounts at 1 January 2022			561,136
Interest charge (Note 12)			66,454
Interest paid			(62,723)
Exchange differences			54,038
Carrying amounts at 31 December 2022			618,905
Less: Amounts due within one year shown under current liabilities			(618,905)
Amounts show under non-current liabilities			-

	Senior notes (note) RMB'000	Senior notes (note) RMB'000	Total RMB'000
Carrying amounts at 1 January 2021	569,292	794,726	1,364,018
Redemption of senior notes	-	(761,153)	(761,153)
Interest charge (Note 12)	64,766	3,842	68,608
Interest paid	(60,883)	(30,066)	(90,949)
Exchange differences	(12,039)	(7,349)	(19,388)
Carrying amounts at 31 December 2021	561,136	-	561,136
Less: Amounts due within one year shown under current liabilities	(17,029)	-	(17,029)
Amounts show under non-current liabilities	544,107	-	544,107

Note:

The senior notes (the "Notes") are with principal amount of US\$90,000,000 and maturity date on 24 September 2023 unless earlier redeemed in accordance with the terms thereof. The Notes bear fixed interest at 10.75% per annum payable semi-annually. The effective interest rate of the Notes is 11.76% per annum.

At any time prior to 24 September 2023, the Group may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 24 September 2023, the Group may at its option redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 110.75% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

36 Lease liabilities

At 31 December 2022, the lease liabilities were repayable as follows:

	2022 RMB'000	2021 RMB'000
Within 1 year or on demand	13,502	11,411
Between 1 and 2 years	15,245	11,492
Between 2 and 5 years	36,628	34,993
Over 5 years	46,875	30,581
	112,250	88,477
Less: Amount due for settlement with 12 months shown under current liabilities	(13,502)	(11,411)
Amount due for settlement after 12 months shown under non-current liabilities	98,748	77,066

37 Income tax in the consolidated statement of financial position

(a) Tax payable in the consolidated statement of financial position represents:

	2022 RMB'000	2021 RMB'000
Net tax payable at 1 January	49,462	29,953
Provision for the year (Note 14)	179,155	95,130
Effect of disposal of subsidiaries	-	(404)
Income tax paid	(126,898)	(75,217)
Net tax payable at 31 December	101,719	49,462

(b) Deferred taxation

Reconciliation to the consolidated statement of financial position is as follows:

	2022 RMB'000	2021 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	39,486	37,738
Net deferred tax liabilities recognised in the consolidated statement of financial position	(93,522)	(38,089)
	(54,036)	(351)

37 Income tax in the consolidated statement of financial position (continued)

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

Deferred tax assets

	<i>Accumulated deductible loss</i>		<i>Unrealised inter-companies gains</i>		<i>Defer governme</i>
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000	2022 RMB'000
At 1 January	8,875	8,875	28,863	26,493	-
Credited/(Debited) to the profit or loss (Note 14)	-	-	6,748	7,034	-
Disposal of subsidiaries (Note 42(b))	-	-	(5,000)	(4,664)	-
At 31 December	<u>8,875</u>	<u>8,875</u>	<u>30,611</u>	<u>28,863</u>	<u>-</u>

At 31 December 2022, the Group had tax losses of RMB324,654,000 (2021: RMB271,645,000) arose in Chinese Mainland that can be carried forward to set off against future taxable income which will expire within 1 to 5 years. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

37 Income tax in the consolidated statement of financial position (continued)

Such cumulative tax losses will be carried forward and expire in year as follows:

	2022 RMB'000	2021 RMB'000
2022	-	15,872
2023	63,327	82,908
2024	73,524	87,556
2025	23,711	27,732
2026	46,768	57,577
2027	117,324	-
Total unused tax losses	324,654	271,645

At 31 December 2022, the Group had estimated unused tax losses of RMB594,182,000 (2021: RMB547,629,000), subject to the agreement of the Inland Revenue Department of Hong Kong, arose in Hong Kong available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

Deferred tax liabilities

	Intra-group transactions		Unremitted interest		Total	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
At 1 January	38,089	4,626	-	-	38,089	4,626
Debited to the profit or loss (Note 14)	55,433	33,487	-	-	55,433	33,487
Disposal of subsidiaries (Note 42(b))	-	(24)	-	-	-	(24)
At 31 December	<u>93,522</u>	<u>38,089</u>	<u>-</u>	<u>-</u>	<u>93,522</u>	<u>38,089</u>

The deferred tax liabilities recognised relate to temporary differences arising from intra-group transactions including the unremitted earnings of joint ventures and associates and the intercompany interest payables from certain PRC subsidiaries to overseas subsidiaries.

As at 31 December 2022, deferred tax liabilities of RMB217,870,000 (2021: RMB135,151,000) have not been recognised for the withholding tax that would be payable on the undistributed retained earnings of subsidiaries of the Group, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

38 Deferred government grants

Government grants are received from the PRC government and the governments of the United States of America (the "US") by the Group in form of financial subsidies for the promotion of the development of renewable energy and investments in the PRC and the US. Government grants from the PRC governments are recognised as income over 20 years based on the expected useful lives of the relevant non-current assets including property, plant and equipment invested in certain areas in the PRC, while the government grants from the US government are recognised as deferred income over 5 years as the relevant properties continue to qualify as specified energy properties as defined by the US Department of the Treasury.

The movements in deferred government grant during the year are as follows:

	2022 RMB'000	2021 RMB'000
At 1 January	5,215	14,693
Government grants obtained during the year	-	954
Credited to profit or loss during the year	(350)	(1,904)
Write off on disposal of subsidiaries	-	(8,528)
At 31 December	<u>4,865</u>	<u>5,215</u>

39 Financial guarantee contract liabilities

	2022 RMB'000	2021 RMB'000
Current	7,535	7,319
Non-current	<u>10,602</u>	<u>17,115</u>
	<u>18,137</u>	<u>24,434</u>

In previous year, the Group disposed its 75% equity interests in certain wholly-owned subsidiaries to independent third parties, and retained the remaining 25% equity interests as interests in associates. Financial guarantees were provided by the Group to certain leasing companies for the associates' finance lease arrangements. In return, these associates shall pay premium to the Group at 2% of the outstanding debt balance under the finance lease arrangements.

The Group has recognised its financial guarantee contract liabilities and corresponding premium receivables based on the fair value of the guarantees provided, equal to the present value of the premium to be received within the leases term.

As at 31 December 2022, the aggregated amount of guarantees was RMB358,432,000 (2021: RMB420,627,000), which represented the amounts (including principal and interests) that could be required to be paid if guarantees were called upon in entirety, of which RMB358,432,000 had been utilised by the associates as at 31 December 2022 (2021: RMB420,627,000).

40 Capital and reserves

(a) Share capital

Ordinary shares issued of HK\$0.01 each:

	<i>No. of shares 000's shares</i>	<i>Nominal value RMB'000</i>
As at 1 January 2021	8,366,855	72,412
Conversion of convertible loans into ordinary shares	618,474	5,087
As at 31 December 2021	8,985,329	77,499
Cancellation of ordinary shares (note (i))	(67,460)	(549)
Issue of ordinary shares (note (ii))	57,600	493
As at 31 December 2022	8,975,469	77,443

Notes

- (i) During the current year, the Group repurchased a total of 405,880,000 ordinary shares of the Company from the market for a total consideration of RMB239,451,000. 67,460,000 ordinary shares of the Company with total par value of RMB549,000 were cancelled, the related costs of repurchase were RMB39,510,000 and the exceed of costs of repurchase over the par value of the shares of RMB38,961,000 was charged to share premium.
- (ii) During the current year, 57,600,000 ordinary shares were issued for the purpose of the Group's share award scheme (Note 41).

(b) Treasury shares

As at 31 December 2022, 495,740,000 ordinary shares are held as treasury shares (2021: 152,020,000 shares).

	<i>No. of shares for the purpose of share award schemes 000's shares</i>	<i>No. of shares for the purpose of cancellation 000's shares</i>	<i>Total 000's shares</i>
As at 1 January 2021	156,300	-	156,300
Repurchased during the year	-	28,720	28,720
Vested during the year (Note 41)	(33,000)	-	(33,000)
As at 31 December 2021	123,300	28,720	152,020
Repurchased during the year	21,750	384,130	405,880
Issue of ordinary shares	57,600	-	57,600
Cancellation of ordinary shares	-	(67,460)	(67,460)
Vested during the year (Note 41)	(52,300)	-	(52,300)
As at 31 December 2022	150,350	345,390	495,740

During the year ended 31 December 2022, the Group repurchased a total of 405,800,000 ordinary shares of the Company from the market at a price ranging from HK\$0.60 to HK\$0.69 per share with a total consideration of RMB239,451,000.

40 Capital and reserves (continued)

Treasury shares for the purpose of share award schemes

During the year ended 31 December 2015, 151,500,000 ordinary shares were repurchased from market at a price of approximately HK\$0.55 per share for a total consideration of RMB66,572,000. And the treasury shares are held for the purpose of the Group's share award scheme (the "Scheme"), of which:

- (i) The directors of the Company approved an aggregate number of 61,700,000 shares under such scheme were granted to the relevant participants of the scheme and all of these shares have been vested to the relevant participants of the scheme up to 31 December 2018.
- (ii) On 4 April 2019, the board of directors of the Company approved to grant an aggregate number of 33,000,000 shares under such scheme to two directors. 8,250,000 shares were vested on 15 February 2020, 15 February 2021 and 15 February 2022, respectively (see Note 41).
- (iii) On 22 April 2019, the board of directors of the Company approved a special share award scheme of 6,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 26 April 2019.
- (iv) On 29 April 2020, the board of directors of the Company approved a special share award scheme of 4,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 30 April 2020.
- (v) On 18 October 2021, the board of directors approved to grant an aggregate number of 14,000,000 shares under the Scheme to two directors. 3,500,000 shares were vested on 15 February 2022. (see Note 41)
- (vi) On 21 April 2022, the board of directors of the Company approved a special share award scheme of 3,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 10 May 2022. (see Note 41)

On 2 April 2019, the board of directors of the Company resolved to grant an aggregate number of 113,000,000 shares under the Scheme to the employees of the Company.

- (i) During the year ended 31 December 2019, 113,000,000 ordinary shares were issued for the purpose of the Group's share award scheme (Note 41), of which: 28,250,000 shares were vested on 15 February 2020, 24,750,000 shares were vested on 15 February 2021 and 23,150,000 shares were vested on 15 February 2022. (see Note 41).

On 15 October 2021, the board of directors of the Company resolved to grant an aggregate number of 59,100,000 shares under the Scheme to the employees of the Company.

- (i) During the year ended 31 December 2022, 57,600,000 ordinary shares were issued for the purpose of the Group's share award scheme (Note 41), 14,400,000 shares were vested on 15 February 2022 (see Note 41).

40 Capital and reserves (continued)

During the year ended 31 December 2022, 21,750,000 ordinary shares were repurchased from market at a price of approximately HK\$0.66 per share for a total consideration of RMB12,762,000, which are held for the purpose of the Group's share award scheme subject to the approval of the directors of the Company in the future.

(c) Contributed surplus

Contributed surplus represented the excess of the fair value of the shares of the former holding company acquired pursuant to the group reorganisation in prior years, over the nominal value of the Company's shares issued in exchange thereof.

(d) Other reserves

Other reserves mainly represent share-based payments reserves and included share-based compensations recognised of which the related share options have forfeited after the vesting date or were still not exercised at the expiry date.

(e) Retained earnings

Pursuant to the relevant laws in the PRC, each of the subsidiaries established in the PRC is required to allocate 10% of its profit after tax to the statutory reserves fund until such fund reaches 50% of the subsidiaries' registered capital. The statutory reserves fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiaries, provided that such fund is maintained at a minimum of 25% of the subsidiaries' registered capital. As at 31 December 2022, retained earnings of the Group comprised statutory reserves fund amounting to RMB1,743,603,000 (2021: RMB1,241,481,000).

41 Share award schemes

According to the share award scheme approved on 15 June 2015 by the board of directors of the Company, under which a part of shares of the Company will be awarded to the Group's employees as an incentive (the "Scheme").

- (a) On 4 April 2019, the board of directors approved to grant an aggregate number of 33,000,000 shares under the Scheme to two directors of the Company.

On 2 April 2019, the board of directors of the Company resolved to grant 113,000,000 new awarded shares to not less than 30 selected persons by way of allocate and issue of the new awarded shares pursuant to the specific mandate, out of which (a) 55,600,000 connected new awarded shares will be granted to 12 connected grantees by way of allocating and issue of new shares pursuant to the specific mandate and (b) 57,400,000 non-connected new awarded shares will be granted to not less than 18 non-connected grantees. The resolution was adopted by the special general meeting of shareholders on 20 June 2019.

The vesting dates of the above aggregate 146,000,000 award shares are as follows:

On 15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)	25%

The fair value of the 146,000,000 shares awarded on the grant date was valued at HK\$0.3236 to HK\$0.3510 each share.

- (b) On 18 October 2021, the board of directors approved to grant an aggregate number of 14,000,000 shares under the Scheme to two directors.

On 15 October 2021, the board of directors of the Company resolved to grant 59,100,000 new awarded shares to 37 selected persons by way of allocating and issue of the new awarded shares pursuant to the specific mandate, out of which (a) 31,900,000 connected new awarded shares will be granted to 15 connected grantees by way of allocating and issue of new shares pursuant to the specific mandate and (b) 27,200,000 non-connected new awarded shares will be granted to 22 non-connected grantees. The resolution was adopted by the special general meeting of shareholders on 15 December 2021.

41 Share award schemes (continued)

The vesting dates of the above aggregate 73,100,000 award shares are as follows:

On 15 February 2022 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2023 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2024 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2025 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)	25%

The fair value of the 73,100,000 shares awarded on the grant date was valued at HK\$0.6950 to HK\$0.7876 each share.

49,300,000 shares were vested on 15 February 2022 and 3,000,000 shares were vested on 10 May 2022. The relevant fair value of the vested shares of RMB22,584,000 was released from other reserves to eliminate the related cost of treasury shares of RMB6,812,000. The difference of RMB15,772,000 was credited to share premium.

Movements in the number of awarded shares during the year are as follows:

	<i>Number of shares</i>	
	<i>2022</i>	<i>2021</i>
As at 1 January	139,100,000	109,500,000
Granted during the year	3,000,000	73,100,000
Vested during the year	(52,300,000)	(33,000,000)
Forfeited during the year	(4,700,000)	(10,500,000)
As at 31 December	<u>85,100,000</u>	<u>139,100,000</u>

The Group recognised total expenses of RMB 29,519,000 (2021: RMB8,881,000) for the year ended 31 December 2022 in relation to the share award schemes.

42 Notes to the consolidated statement of cash flows

(a) Cash generated from operations

	Note	2022 RMB'000	2021 RMB'000 (Restated)
Profit before income tax		1,153,609	939,595
Adjustments for:			
Finance costs	12	546,316	446,120
Interest revenue	7	(27,435)	(16,115)
Depreciation of property, plant and equipment		551,421	451,052
Depreciation of right-of-use assets		40,605	37,562
Amortisation of other intangible assets		97	97
Release of deferred government grants	38	(350)	(1,904)
Impairment loss on property, plant and equipment	17	39,139	-
Impairment loss reversed on trade receivable		-	(5,485)
Impairment loss recognised/(reversed) on other receivables	9	1,000	(22,065)
Impairment loss reversed on amounts due from joint ventures	9	(2,181)	-
Fair value changes in financial assets at FVTPL	8	(82,736)	(78,154)
Fair value losses on derivative component of convertible loan		-	172,636
Gain on redemption of convertible loan		-	(28,524)
Share-based compensations	41	29,519	8,881
Share of profit of associates, net		(20,004)	(18,265)
Share of profit of joint ventures, net		(151,115)	(134,246)
Gain on disposal/liquidation of subsidiaries, net	8	(255,589)	(259,766)
Loss on disposal/liquidation of joint ventures and associates, net		-	27,254
Exchange (gain)/loss, net	8	(26,482)	1,348
Loss on disposal of property, plant and equipment	8	1,263	393

42 Notes to the consolidated statement of cash flows (continued)

	Note	2022 RMB'000	2021 RMB'000 (Restated)
Operating profit before working capital changes:		1,797,077	1,520,414
Increase in inventories		(31,517)	(15,852)
Decrease/(increase) in trade and bills receivable		24,016	(673,871)
Decrease/(increase) in prepayments, deposits and other receivables		678,599	(56,460)
Decrease in contract assets		139,120	317,519
Increase in loan receivables		(2,015)	(30,178)
Increase in finance lease receivables		(88,995)	(84,457)
Increase in amounts due from associates		(1,077)	(6,721)
(Increase)/decrease in amounts due from joint ventures		(23,089)	10,511
Increase/(decrease) in trade and bills payable		184,446	(59,469)
(Decrease)/increase in other payables and accruals		(72,182)	386,278
(Decrease)/increase in contract liabilities		(79,976)	75,620
Increase/(decrease) in amounts due to joint ventures		1	(4,718)
Increase in amounts due to associates		2,540	-
Cash generated from operations		2,526,948	1,378,616

42 Notes to the consolidated statement of cash flows (continued)

(b) Disposal/liquidation of subsidiaries

During the year ended 31 December 2022 and 2021, the Group disposed certain equity interests in its subsidiaries to independent third parties with the net gain on disposal/liquidation of subsidiaries as follows:

	2022 RMB'000	2021 RMB'000
Consideration and subsequent adjustment:		
Disposal of subsidiaries	708,036	955,266
Proceeds from liquidation of subsidiaries	10	99
	<u>708,046</u>	<u>955,365</u>
Less: Carrying amounts of net assets of subsidiaries disposed of:		
Right-of-use assets	66,824	113,628
Property, plant and equipment	1,311,321	2,964,393
Inventories	-	321
Trade and bills receivable	325,710	181,248
Contract assets	-	54,414
Prepayments deposits and other receivables	66,975	340,900
Deferred tax assets	5,000	6,796
Cash and cash equivalents	129,604	48,403
Other borrowings	(908,071)	(2,268,627)
Bank borrowings	-	(32,207)
Trade payables	(414)	-
Amounts due to fellow subsidiaries	(453,325)	(449,929)
Deferred government grants	-	(8,528)
Deferred tax liabilities	-	(24)
Other payables and accruals	<u>(24,610)</u>	<u>(228,281)</u>
	<u>519,014</u>	<u>722,507</u>
Realised profits on transactions between the Group and these subsidiaries	7,390	69,514
Adjustment in relation to disposal of a subsidiary (Note 21)	88,301	-
Goodwill released upon disposal (Note 19)	<u>(29,134)</u>	<u>(42,606)</u>
Gain on disposal/liquidation of subsidiaries, net	<u>255,589</u>	<u>259,766</u>

42 Notes to the consolidated statement of cash flows (continued)

Net cash inflow arising on the disposal and liquidation:

	2022 RMB'000	2021 RMB'000
Consideration received	814,470	848,968
Proceeds received upon liquidation of subsidiaries	10	99
Cash and cash equivalents derecognised from the consolidated financial statements	(129,604)	(48,403)
	684,876	800,664
Net cash inflow for consideration of prior year's disposals during the current year	26,656	195,134
	711,532	995,798

(c) Disposal of property, plant and equipment

An analysis of the cash proceeds from the disposal of property, plant and equipment is as follows:

	2022 RMB'000	2021 RMB'000
Net carrying amount (Note 17)	2,460	1,036
Loss on disposal of property, plant and equipment (Note 8)	(1,263)	(393)
Consideration for the disposal	1,197	643
Consideration not yet received and recorded in other receivables	-	(145)
Net cash proceeds received	1,197	498

43 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings (Note 33) RMB'000	Other borrowings (Note 34) RMB'000	Senior notes (Note 35) RMB'000	Lease liabilities (Note 36) RMB'000	Payable on redemption of convertible loan RMB'000	Total RMB'000
At 1 January 2022	1,291,602	9,647,905	561,136	88,477	112,150	11,701,270
Changes from financing cash flows:						
Proceeds from bank borrowings	1,190,251	-	-	-	-	1,190,251
Repayment from bank borrowings	(253,837)	-	-	-	-	(253,837)
Proceeds from other borrowings	-	3,084,481	-	-	-	3,084,481
Repayment of other borrowings	-	(1,531,438)	-	-	-	(1,531,438)
Repayment of lease liabilities	-	-	-	(12,037)	-	(12,037)
Repayment of other interested-bearing payables	-	-	-	-	(112,150)	(112,150)
Interest paid	(70,050)	(497,758)	(62,723)	(6,470)	-	(637,001)
Addition of lease liabilities	-	-	-	31,227	-	31,227
Exchange differences	37,010	-	54,038	5,830	-	96,878
Disposal/liquidation of subsidiaries	-	(908,071)	-	-	-	(908,071)
Bills received	-	727,696	-	-	-	727,696
Interest expenses (Note 12)	69,951	533,401	66,454	5,223	-	675,029
At 31 December 2022	2,264,927	11,056,216	618,905	112,250	-	14,052,298

43 Reconciliation of liabilities arising from financing activities (continued)

	Bank borrowings (Note 33) RMB'000	Other borrowings (Note 34) RMB'000	Senior notes (Note 35) RMB'000	Convertible loan RMB'000	Lease liabilities (Note 36) RMB'000	Payable on redemption of convertible loan RMB'000	Total RMB'000
At 1 January 2021	1,507,247	6,247,250	1,364,018	431,665	76,114	-	9,626,294
Changes from financing cash flows:							
Proceeds from bank borrowings	704,398	-	-	-	-	-	704,398
Repayment from bank borrowings	(887,142)	-	-	-	-	-	(887,142)
Proceeds from other borrowings	-	4,554,383	-	-	-	-	4,554,383
Repayment of other borrowings	-	(779,665)	-	-	-	-	(779,665)
Repayment of lease liabilities	-	-	-	-	(12,590)	-	(12,590)
Repayment of senior notes	-	-	(761,153)	-	-	-	(761,153)
Repayment of other interested-bearing payables	-	-	-	-	-	(31,879)	(31,879)
Interest paid	(44,169)	(382,533)	(90,949)	(41,971)	(3,047)	-	(562,669)
Conversion to ordinary shares	-	-	-	(415,944)	-	-	(415,944)
Redemption of convertible loan	-	-	-	(172,259)	-	143,735	(28,524)
Addition of lease liabilities	-	-	-	-	24,920	-	24,920
Exchange differences	(1,587)	-	(19,388)	(11,077)	(1,605)	294	(33,363)
Fair value changes	-	-	-	172,636	-	-	172,636
Disposal/liquidation of subsidiaries	(32,207)	(2,268,627)	-	-	-	-	(2,300,834)
Bills received	-	1,862,924	-	-	-	-	1,862,924
Interest expenses (Note 12)	45,062	414,173	68,608	36,950	4,685	-	569,478
At 31 December 2021	1,291,602	9,647,905	561,136	-	88,477	112,150	11,701,270

44 Major non-cash transactions

- (a) During the year ended 31 December 2022, the Group entered into financing arrangements with the Financial Institutions in respect of property, plant and equipment and drew down an aggregate amount of RMB3,812,177,000 (2021: RMB6,417,307,000) from the Financial Institutions, of which RMB727,696,000 (2021: RMB1,862,924,000) was received in the form of bills. Further details of the financing arrangements are set out in Note 34.
- (b) During the year, the Group settled certain payables in the form of bills amounted to RMB1,364,932,000 (2021: RMB1,800,724,000).

45 Commitments

Capital expenditure:

	2022 RMB'000	2021 RMB'000
Contracted for but not provided in these consolidated financial statements:		
Property, plant and equipment	<u>2,380,563</u>	<u>2,068,344</u>

Investment commitments:

According to relevant agreements, the Group has the following investment commitments:

	2022 RMB'000	2021 RMB'000
Investment commitments in:		
Joint ventures and associates	<u>44,500</u>	<u>103,540</u>

46 Related party transactions

- (a) **Save as disclosed elsewhere in these consolidated financial statements, the following material transactions were carried out by the Group with related parties during the year:**

	2022 RMB'000	2021 RMB'000
Provision of services and sales of goods to associates and joint ventures (note (i))	42,386	42,366
Guarantee income from associates (note (ii))	7,108	7,658
Finance lease income of associates (note (iii))	<u>2,562</u>	<u>2,823</u>

Notes:

- (i) The terms and conditions of sales of goods and provision of services were mutually agreed by both parties.
- (ii) Further details of these guarantees are set out in Note 39.

46 Related party transactions (continued)

- (iii) Finance lease income arose from associates bear interest at 8.5% per annum during the year.

(b) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The total remuneration of the key management personnel is shown below:

	2022 RMB'000	2021 RMB'000
Salaries and other short-term employee benefits	36,821	35,003
Share-based compensation	15,719	6,785
	<u>52,540</u>	<u>41,788</u>

47 Categories of financial instruments

The carrying amounts of each of the categories of financial instruments at the end of each reporting period are as follows:

	2022 RMB'000	2021 RMB'000
Financial assets		
Fair value through profit or loss	254,181	283,709
Amortised cost	<u>6,275,277</u>	<u>6,943,083</u>
Financial liabilities		
Amortised cost	18,685,306	16,134,453
Financial guarantee contract liabilities (Note 39)	<u>18,137</u>	<u>24,434</u>

48 Financial risk management objectives and policies

The Group's activities exposed it to a variety of financial risks. The management periodically analyses and reviews measures to manage its exposure to market risk (including foreign exchange risk, interest rate risk and other price risk), liquidity risk and credit risk. Generally, the Group applies a conservative strategy regarding its risk management and has not used any derivatives or other instruments for hedging purposes.

As at 31 December 2022, the Group's major financial instruments include trade and bills receivable, deposits and other receivables, financial assets at FVTPL, loans receivables, financial lease receivables, and current account balances with associates and joint ventures, cash and cash equivalents, restricted deposits, trade and bills payable, lease liabilities, payables for construction in progress, other payables and accruals, bank borrowings, other borrowings, and senior notes. Details of these financial instruments are disclosed in respective notes.

48 Financial risk management objectives and policies (continued)

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises from monetary assets and liabilities denominated in foreign currencies.

The Group operates mainly in the PRC, the United States of America and Hong Kong. Majority of revenue and cost of goods sold and operations are denominated in Renminbi ("RMB"). Almost all of the revenue and costs are denominated in the group entities' respective functional currencies.

The Group is exposed to foreign currency risk primarily with respect to the changes of exchange rate of United States dollars ("US\$") and Hong Kong dollars ("HK\$"), which is pegged with US\$, against RMB, which is the functional currency of most of the Group's operating subsidiaries. As at 31 December 2022, recognised assets or liabilities that are denominated in a currency that is not the entities' functional currency include cash and cash equivalents (Note 29) and senior notes (Note 35).

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in RMB to US\$/HK\$ exchange rates ("RMB - US\$/HK\$"), with all other variables held constant, of the Group's profit after tax due to changes in the carrying value of monetary assets and liabilities.

	2022 Increase/ (decrease) in profit after tax RMB'000	2021 Increase/ (decrease) in profit after tax RMB'000
RMB - US\$/HK\$		
Appreciation of RMB by 5%	11,491	1,841
Depreciation of RMB by 5%	<u>(11,491)</u>	<u>(1,841)</u>

(ii) Cashflow and fair value interest rate risk

Cashflow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate as it is issued at fixed interest rates.

The Group's cashflow interest rate risk arises from bank balances, loans to joint ventures, bank borrowings and other borrowings. Borrowings issued at variable rates expose the Group to cashflow interest rate risk which is partially offset by bank balances held at variable rates.

48 Financial risk management objectives and policies (continued)

The Group's exposure to the risk of changes in market interest rates relates primarily due to the Group's bank balances, interest-bearing bank borrowings and interest-bearing other borrowings with a floating interest rate. The effective interest rates and terms of repayment of the interest-bearing bank borrowings and other borrowings of the Group are disclosed in Note 33 and Note 34, respectively. No sensitivity analysis has been presented for the exposure to interest rates for bank balances as the directors of the Company consider that, taking into account that the fluctuation in interest rates on bank balances is minimal, the impact of profit or loss both for the current and prior years is insignificant.

The following analysis demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rates for floating rate bank borrowings, with all other variables held constant.

If interest rates had been 50 basis points (2021: 50 basis points) higher/lower and all other variables were held constant, the Group's profit after tax for the year ended 31 December 2022 would have decreased/increased by RMB61,477,000 (2021: RMB41,975,000).

The above sensitivity analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

As at 31 December 2022, the Group is exposed to fair value interest rate risk in relation to financial assets at FVTPL. No sensitivity analysis has been presented as the directors of the Company consider that the impact to profit or loss for both the current and prior years is insignificant.

(iii) Other price risk

The Group is exposed to other price risk because the fair value of certain financial assets at fair value through profit or loss are measured by reference to quoted prices. Details of the financial assets at fair value through profit or loss are set out in Note 22.

The Group currently does not have a policy to hedge the other price risk. However, the management closely monitors such risk by maintaining a portfolio of investments with different risks.

(b) Liquidity risk

The Group monitors and maintains a level of cash reserves and banking facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows and match maturity profiles of financial assets and liabilities. In addition to the currently available facilities, the management of the Group expects that further banking facilities will be available by pledging those newly completed power plant equipment.

48 Financial risk management objectives and policies (continued)

The table below analyses the financial liabilities of the Group into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities based on earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

As at 31 December 2022

	Weighted average effective interest rate	On demand or less than 6 months RMB'000	6 to 12 months RMB'000	1 to 2 years RMB'000	Over 2 years RMB'000	Total undiscounted cashflows RMB'000	Total carrying amount RMB'000
Trade and bills payable	N/A	1,125,074	137,496	-	-	1,262,570	1,262,570
Payables for construction in progress, other payables and accruals	N/A	2,165,727	570,789	457,214	288,762	3,482,492	3,482,492
Amounts due to joint ventures	N/A	156	-	-	-	156	156
Amounts due to associates	N/A	2,540	-	-	-	2,540	2,540
Senior notes	11.80%	34,440	642,911	-	-	677,351	618,905
Bank borrowings	1.60% - 5.20%	591,154	497,618	141,794	1,406,525	2,637,091	2,264,927
Other borrowings	4.00% - 5.90%	613,443	619,253	1,259,848	12,100,842	14,593,386	11,056,216
Lease liabilities	4.00% - 5.55%	9,532	9,532	19,202	118,235	156,501	112,250
		4,542,066	2,477,599	1,878,058	13,914,364	22,812,087	18,800,056
Financial guarantee issued	N/A	358,432	-	-	-	358,432	18,137
Maximum amount guaranteed (Note 39)							

48 Financial risk management objectives and policies (continued)

As at 31 December 2021

	Weighted average effective interest rate RMB'000	On demand or less than 6 months RMB'000	6 to 12 months RMB'000	1 to 2 years RMB'000	Over 2 years RMB'000	Total undiscounted cashflows RMB'000	Total carrying amount RMB'000
Trade and bills payable	N/A	877,678	200,860	-	-	1,078,538	1,078,538
Payables for construction in progress, other payables and accruals	N/A	2,403,847	612,406	288,727	252,637	3,557,617	3,557,617
Amounts due to joint ventures	N/A	155	-	-	-	155	155
Senior notes	8.30% - 11.80%	29,923	30,437	613,881	-	674,241	561,136
Bank borrowings	1.70% - 5.23%	98,748	475,527	273,104	598,569	1,445,948	1,291,602
Other borrowings	4.80% - 6.13%	810,787	513,952	1,438,286	10,034,501	12,797,526	9,647,905
Lease liabilities	4.00% - 5.30%	8,083	8,083	16,509	78,974	111,649	88,477
		4,229,221	1,841,265	2,630,507	10,964,681	19,665,674	16,225,430
Financial guarantee issued							
Maximum amount guaranteed (Note 39)		420,627	-	-	-	420,627	24,434

48 Financial risk management objectives and policies (continued)

The amounts included above of variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimate of interest rates determined at the end of the reporting period.

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee.

(c) Credit risk and impairment assessment

As at 31 December 2022, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties or debtors provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position, and the amount of financial guarantees provided by the Group as disclosed in Note 39.

As at 31 December 2022, the Group generally does not hold collateral or other credit enhancements to cover its credit risks associated with its financial assets, except for financial lease receivables and loan receivables whose credit loss can be mitigate by the underlying leased assets.

The Group's credit risk primarily attributable to its trade and other receivables, contract assets and amounts due from associates and joint ventures which is arose during the course of the Group's business operations. The Group has set policies in place to review the recoverability of these receivables on an ongoing basis and assess the adequacy of provision for impairment.

For trade receivables, the management of the Group limit credit risk by assessing the credit quality of the customers, perform ongoing credit evaluation taking into account its financial position, past trade experience and other factors. The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 180 days. Each customer has a maximum credit limit. The Group has concentration of credit risk because trade receivables from its top five customers accounted for 40% (2021: 51%) of the Group's trade receivables as at 31 December 2022.

For the amounts due from associates and joint ventures, financial positions of the associates and joint ventures are regularly monitored in order to minimize the credit risk associated with receivables due from associates and joint ventures.

The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by management. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances based on provision matrix or individually and other debtors individually. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

48 Financial risk management objectives and policies (continued)

The credit risks of the Group's bank balances are limited because these balances are placed with reputable financial institutions.

The credit risks on financial guarantee provided by the Group and finance lease receivables are limited as the counterparties have no default in the past and the management of the Group does not expect any loss arising from non-performance by these counterparties.

The Group's internal credit risk grading assessment comprises the following categories:

<i>Internal credit rating</i>	<i>Description</i>	<i>Trade receivables, contract assets and finance lease receivables</i>	<i>Other financial assets</i>
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit - impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit - impaired	Lifetime ECL - not credit- impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit - impaired	Lifetime ECL - credit- impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

48 Financial risk management objectives and policies (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000
Financial assets at amortised costs			
Trade receivables (Note 24)			
- Sale of electricity	Low risk (note (b))	Lifetime ECL	811,282
- Others	Low risk (note (b))	Lifetime ECL	546,820
	Loss	Credit-impaired	6,048
			1,364,150
Other receivables (Note 25)	Low risk (note (a))	12-month ECL	571,411
	Doubtful (note (a))	Lifetime ECL	48,197
	Loss	(not credit-impaired) Credit-impaired	3,000
			622,608
Amounts due from associates (Note 20)			
- trade nature	Low risk (note (b))	Lifetime ECL (not credit-impaired)	7,803
	Loss	Credit-impaired	2,307
- non-trade nature	Low risk (note (a))	12-month ECL	48,073
	Low risk	Lifetime ECL (not credit-impaired)	29,959
			88,142
Amounts due from joint ventures (Note 21)			
- trade nature	Low risk (note (b))	Lifetime ECL (not credit-impaired)	4,893
- non-trade nature	Low risk (note (a))	12-month ECL	85,670
			90,563
Loan receivables (Note 27)	Low risk (note (a))	12-month ECL	61,587
Cash and cash equivalents (Note 29)	Low risk	12-month ECL	3,471,039
Restricted deposits (Note 29)	Low risk	12-month ECL	578,240
Other items:			
Contract assets (Note 23)			
- Tariff adjustment amounts	Low risk (note (b))	Lifetime ECL (not credit-impaired)	-
- Others	Low risk (note (b))	Lifetime ECL (not credit-impaired)	206,728
			206,728
Finance lease receivables (Note 26)	Low risk (note (b))	Lifetime ECL (not credit-impaired)	197,592
Premium receivable for financial guarantee contracts (Note 39)	Low risk (note (b))	12-month ECL	18,137

48 Financial risk management objectives and policies (continued)

Notes:

- (a) For the purposes of internal risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	<i>Past due</i> RMB'000	<i>Not past due/ no fixed repayment terms</i> RMB'000	<i>Total</i> RMB'000
2022			
Amounts due from associates	-	48,073	48,073
Amounts due from joint ventures	-	85,670	85,670
Other receivables	48,197	571,411	619,608
Loan receivables	-	61,587	61,587
2021			
Amounts due from associates	-	40,743	40,743
Amounts due from joint ventures	-	18,059	18,059
Other receivables	24,921	860,766	885,687
Loan receivables	-	59,572	59,572

- (b) For trade receivables (including trade-related amounts due from joint ventures and associates), finance lease receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items on an individual balance basis, except for trade receivables and contract assets in relation to its sales of electricity which are based on provision matrix.

The trade receivables arising from sales of electricity are mainly due from the local state grid companies in various provinces in the PRC. The management considered the probability of default of trade receivables is remote since the local grid companies are state-owned and taking into account the past payment histories of the debtors, adjusted for general economic conditions of the new energy industry and an assessment of both current as well as forecast direction of market conditions at the reporting date. Accordingly, the management is of the opinion that the credit risk of trade receivables arising from sales of electricity is limited.

48 Financial risk management objectives and policies (continued)

- (c) The Group writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

	<i>Lifetime ECL (not credit - impaired) RMB'000</i>	<i>Lifetime ECL (credit- impaired) RMB'000</i>	<i>Total RMB'000</i>
As at 1 January 2021	-	9,983	9,983
Impairment losses reversed	-	(5,485)	(5,485)
As at 31 December 2021	-	4,498	4,498
Impairment losses reversed	-	(1,406)	(1,406)
As at 31 December 2022	-	3,092	3,092

For financial guarantee contracts, the gross carrying amount represents the maximum amount that Group has guaranteed under the relevant contract. The maximum amount that the Group has guaranteed under the relevant contract was RMB338,643,000 as at 31 December 2022 (2021: RMB420,627,000). At the end of the reporting period, the directors of the Company have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Details of the financial guarantee contracts are set out in Note 39.

49 Fair value measurements of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Group uses market-observable data of the extent it is available. Where Level 1 inputs are not available, the Group determines the appropriate valuation techniques and inputs for fair value measurements and works closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2022				
Financial assets at FVTPL				
Unlisted equity securities	-	-	66,782	66,782
Listed equity securities, at fair value	85,565	-	-	85,565
RMB wealth management products	-	-	210	210
Contingent consideration in disposal of subsidiaries	-	-	93,060	93,060
Bills receivable, at FVTPL	-	8,564	-	8,564

49 Fair value measurements of financial instruments (continued)

	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2021				
Financial assets at FVTPL				
Unlisted equity securities	-	-	76,631	76,631
RMB wealth management products	-	-	10,000	10,000
Contingent consideration in disposal of subsidiaries	-	-	111,914	111,914
Bills receivable, at FVTPL	-	85,164	-	85,164

There were no transfers between level 1 and 2 during the years ended 31 December 2022 and 2021, and there were no transfers into or out of Level 3 during both years.

Information of level 2 and level 3 fair value measurement are as follow:

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2022 (RMB'000)	2021 (RMB'000)			
Unlisted equity securities	66,782	76,631	Level 3	Income approach—in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investees, based on an appropriate discount rate. Comparable market value - in this approach, the fair value of unlisted equity instruments is determined at the price of the most recent financing.	Long-term pre-tax operating margin, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 65% to 67% (2021: 65% to 67%). Discount rate of 12% (2021:12%) determined using a Capital Asset Pricing Model (note (a)).
RMB wealth management products	210	10,000	Level 3	Discounted cash flow method was used to capture the present value of the contracted cash flows discounted at a rate that reflects the market credit risk.	Basic performance comparison benchmark
Contingent consideration in disposal of subsidiaries	93,060	111,914	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow into the Group arising from the contingent consideration, based on an appropriate discount rate.	Probability to meet the conditions set out in the share purchase agreements, including whether and when the disposed power plants could be registered in the List (note (b)).
Bills receivable	8,564	85,164	Level 2	Discounted cash flow method was used to capture the present value of the contracted cash flows discounted at a rate that reflects the market credit risk.	N/A

Notes:

- An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the unlisted equity securities, and vice versa. A 5% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the unlisted equity securities by RMB1,228,000 and RMB1,297,000 respectively (2021: RMB1,333,000 and RMB1,409,000 respectively).
- A decrease in the probability for the power plants to be registered in the List sooner used in isolation would result in a decrease in the fair value measurement of the contingent consideration, and vice versa.

49 Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurement

	Investments in a convertible bond RMB'000	Contingent consideration in disposal of subsidiaries RMB'000	Unlisted equity securities RMB'000	Derivative component of convertible loan RMB'000	RMB wealth management products RMB'000
Balance as at 1 January 2021	32,787	131,664	17,629	20,512	-
Reclassification from interests in an associate	-	-	17,502	-	-
Addition	-	50,951	-	-	3,372,930
Settlement	-	(70,701)	-	-	(3,384,437)
Fair value changes	4,404	-	52,243	172,636	21,507
Disposal of unlisted equity securities	-	-	(8,756)	-	-
Redemption of convertible loans	(37,191)	-	-	(58,964)	-
Converted to ordinary shares	-	-	-	(132,650)	-
Exchange differences	-	-	(1,987)	(1,534)	-
Balance as at 31 December 2021	-	111,914	76,631	-	10,000
Addition	-	28,148	-	-	5,851,562
Settlement	-	(47,002)	-	-	(5,911,440)
Fair value changes	-	-	1,857	-	50,088
Disposal of unlisted equity securities	-	-	(16,193)	-	-
Exchange differences	-	-	4,487	-	-
Balance as at 31 December 2022	-	93,060	66,782	-	210

Fair value of financial instruments that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated statement of financial position, together with the interest accruals, approximate their respective fair values at the end of the reporting period.

50 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors capital on the basis of the liability-to-asset ratio and the gearing ratio. The gearing ratio is calculated as total borrowings divided by total capital. Total borrowings represented bank borrowings plus other borrowings, senior notes, and lease liabilities. Total capital is calculated as total equity plus total borrowings.

The Group's total borrowings and total capital positions as at 31 December 2022 and 2021 are as follows:

	2022 RMB'000	2021 RMB'000 (Restated)
Total borrowings	14,052,298	11,589,120
Total equity	<u>8,094,892</u>	<u>7,562,887</u>
Total capital	<u>22,147,190</u>	<u>19,152,007</u>
Gearing ratio	63.45%	60.51%
Liability-to-asset ratio	70.21%	68.55%

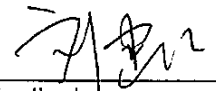
51 Statement of financial position of the Company

	2022 RMB'000	2021 RMB'000
Assets:		
Non-current assets		
Interests in subsidiaries	1,365,681	1,369,289
Deposits	547	547
	<u>1,366,228</u>	<u>1,369,836</u>
Current assets		
Amounts due from subsidiaries	1,561,318	561,442
Amounts due from joint ventures	429	262
Deposits	52,285	47,818
Cash and cash equivalents	103,776	151,202
Financial assets at fair value through profit or loss	85,565	-
	<u>1,803,373</u>	<u>760,724</u>
Total assets	<u>3,169,601</u>	<u>2,130,560</u>
Liabilities:		
Non-current liabilities		
Senior notes	-	544,107
Financial guarantee contract liabilities	66,963	74,006
	<u>66,963</u>	<u>618,113</u>
Current liabilities		
Senior notes	618,905	17,029
Bank borrowings	352,769	366,161
Other payables and accruals	15,123	118,887
Amounts due to subsidiaries	252,944	171,574
	<u>1,239,741</u>	<u>673,651</u>
Total liabilities	<u>1,306,704</u>	<u>1,291,764</u>
Net current assets	<u>563,632</u>	<u>87,073</u>
Net assets	<u>1,862,897</u>	<u>838,796</u>
Equity		
Share capital (Note 40)	77,443	77,499
Reserves (note)	1,785,454	761,297
Total equity	<u>1,862,897</u>	<u>838,796</u>

51 Statement of financial position of the Company (continued)

Approved and authorised for issue by the board of directors on 28 February 2023.


Liu Shunxing
Chairman and Executive Director


Liu Jianhong
Vice Chairperson and Executive Director

Note:

Movements in components of reserves of the Company

	Share premium	Treasury Shares	Contributed surplus (Note 40(c))	Other reserves	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2021	313,780	(760)	2,359,063	104,896	(1,992,390)	784,589
Loss and total comprehensive income the year	-	-	-	-	(212,142)	(212,142)
Conversion to ordinary shares	410,857	-	-	-	-	410,857
Share-based compensation	-	-	-	8,881	-	8,881
Vesting of shares under share award scheme	6,990	222	-	(10,837)	-	(3,625)
2020 final dividend	-	-	-	-	(208,857)	(208,857)
Repurchase of ordinary shares (Note 40)	-	(18,406)	-	-	-	(18,406)
Balance at 31 December 2021	731,627	(18,944)	2,359,063	102,940	(2,413,389)	761,297
Loss and total comprehensive income the year	-	-	-	-	1,458,024	1,458,024
Share-based compensation	-	-	-	29,519	-	29,519
Vesting of shares under share award scheme	15,772	331	-	(22,584)	-	(6,481)
2021 final dividend	-	-	-	-	(230,272)	(230,272)
Ordinary share issued as treasury shares	-	(493)	-	-	-	(493)
Cancellation of treasury shares	(38,961)	39,610	-	-	-	649
Repurchase of ordinary shares (Note 40)	-	(226,689)	-	-	-	(226,689)
Balance at 31 December 2022	708,438	(206,285)	2,359,063	109,875	(1,185,637)	1,785,454

52 Subsidiaries

As at 31 December 2022, particulars of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and kind of legal entity	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Century Concord Wind Power Investment Co., Ltd.	The PRC, limited company	Registered capital of RMB3,100,000,000	100%	100%	Investment holding
Haotai New Energy Equipment Ltd.	The PRC, limited company	Registered capital of RMB500,000,000	100%	100%	Sales of solar power equipment and new energy equipment
Concord Power Consulting & Design (Beijing) Corp., Ltd.	The PRC, limited company	Registered capital of RMB50,000,000	70%	70%	Power system design, research and exploitation
Beijing Century Concord Operation and Maintenance Co., Ltd.	The PRC, limited company	Registered capital of RMB60,000,000	80%	80%	Wind power plant operation and maintenance
Yanyuan Century Concord Solar Power Co., Ltd.	The PRC, limited company	Registered capital of RMB56,000,000	100%	100%	Solar power plant investment and operation
Naidong Century Concord Solar Power Co., Ltd.	The PRC, limited company	Registered capital of RMB146,150,000	100%	100%	Solar power plant investment and operation
Eryuan Century Concord Solar Power Co., Ltd.	The PRC, limited company	Registered capital of RMB48,000,000	100%	100%	Solar power plant investment and operation
Jilin Century Concord Wind Power Investment Co., Ltd.	The PRC, limited company	Registered capital of RMB195,820,000	100%	100%	Wind power plant investment and operation
Jingmen Lixi Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB37,800,000	100%	100%	Wind power plant investment and operation
Yongzhou Jiepai Century Concord Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB1,901,834,000	100%	100%	Wind power plant investment and operation
Xiangyang Xiangzhou Century Concord Yushan Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB91,000,000	100%	100%	Wind power plant investment and operation
Wuhe Century Concord Yinmahu Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB110,630,000	100%	100%	Wind power plant investment and operation
Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB133,920,000	100%	100%	Wind power plant investment and operation
Suzhou Deren Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB70,000,000	100%	100%	Wind power plant investment and operation
Jingmen Shengjingshan Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB97,100,000	100%	100%	Wind power plant investment and operation
Yongzhou Hongtang Century Concord Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB80,000,000	100%	100%	Wind power plant investment and operation
Tianjin Green Energy International Leasing Co., Ltd.	The PRC, sino-foreign equity joint venture	Registered capital of RMB1,000,000,000	100%	100%	Equipment Lease operation
Wuhe Juhe Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB78,000,000	100%	100%	Wind power plant investment and operation

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

The table above lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. As at 31 December 2022, there was no non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Concord New Energy Group Limited
(Incorporated in Bermuda with limited liability)

Consolidated Financial Statements
For the year ended 31 December 2023



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

Opinion

We have audited the consolidated financial statements of Concord New Energy Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 7 to 133, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

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



Independent auditor's report to the shareholders of Concord New Energy Group Limited (continued)

(incorporated in Bermuda with limited liability)

Key audit matter (continued)

Assessment of potential impairment of goodwill in relation to the group of cash generating units of investment in wind power plants	
<i>Refer to Note 20 to the consolidated financial statements and the accounting policies in Note 3.</i>	
The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2023, the goodwill allocated to the group of cash generating units ("CGU") of investment in wind power plants arising on acquisition amounted to RMB702 million. The Group conducted an annual impairment assessment on goodwill by assessing the recoverable amount of the relevant group of CGUs to which the goodwill has been allocated based on their fair value less costs to disposal using discounted cash flow method. The impairment assessment performed by the management involves the exercise of significant management judgement, particular in estimating future sales volumes and future on-grid tariffs as well as in the estimation of the discount rates applied. We identified goodwill impairment assessment on the group of CGUs of investment in wind power plants as a key audit matter because the carrying amount of the goodwill is material to the consolidated financial statements and also because management's judgement and assumptions involved as part of the impairment assessment are inherently uncertain and could be subject to potential management bias.	Our audit procedures to address potential impairment of goodwill in relation to the group of CGUs of investment in wind power plants included the following: • assessing management's identification of CGUs and the allocation of assets to each CGU with reference to our understanding of the Group's business and the requirements of the prevailing accounting standards; • comparing the actual results for the current year with management's forecast in the previous year to assess the historical accuracy of management's forecasting process and if there is any indication of management bias; • involving our internal valuation specialists to evaluate the valuation methodology used in determining the recoverable amount of the relevant group of CGUs, and assess whether the discount rates applied in the impairment assessment were within the ranges adopted by other companies in the same industry; • challenging management's basis on the estimation of the estimated future sales volumes of wind power plants in operation by comparing with the historical sales volumes and on-grid tariffs and government's policies on on-grid tariffs and validating management's reason of significant deviations, if any;



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

Key audit matter (continued)

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



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

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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



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

Auditor's responsibilities for the audit of the consolidated financial statements

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



Independent auditor's report to the shareholders of Concord New Energy Group Limited (continued)

(incorporated in Bermuda with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
6 March 2024

Consolidated statement of profit or loss for the year ended 31 December 2023 (Expressed in Renminbi ("RMB"))

	Note	2023 RMB'000	2022 Restated* RMB'000
Continuing operations			
Revenue	6, 7	2,588,646	2,400,276
Cost of sales and services rendered	14	<u>(1,183,020)</u>	<u>(940,583)</u>
Gross profit		1,405,626	1,459,693
Other income	8	104,887	58,609
Other gains and losses, net	9	404,149	319,545
Impairment losses under expected credit loss model, net of reversal	10	(1,130)	1,181
Distribution and selling expenses		(6,141)	(5,096)
Administrative expenses		(404,458)	(342,273)
Finance costs	13	(644,165)	(544,950)
Share of profit of joint ventures, net		172,836	151,115
Share of profit of associates, net		<u>17,029</u>	<u>20,004</u>
Profit before income tax	14	1,048,633	1,117,828
Income tax expense	15	<u>(153,825)</u>	<u>(222,445)</u>
Profit for the year from continuing operations		894,808	895,383
Discontinued operation			
Profit for the year from discontinued operation, net of tax	5	<u>93,942</u>	<u>30,386</u>
Profit for the year		<u>988,750</u>	<u>925,769</u>

Consolidated statement of profit or loss for the year ended 31 December 2023 (continued) (Expressed in Renminbi ("RMB"))

	Note	2023 RMB'000	2022 Restated* RMB'000
Attributable to equity shareholders of the Company:			
From continuing operations		877,502	852,639
From discontinued operation	5	<u>86,272</u>	<u>19,178</u>
		<u>963,774</u>	<u>871,817</u>
Attributable to non-controlling interests of the Company:			
From continuing operations		17,306	42,744
From discontinued operation	5	<u>7,670</u>	<u>11,208</u>
		<u>24,976</u>	<u>53,952</u>
Profit for the year		<u>988,750</u>	<u>925,769</u>
Earnings per share			
Basic earnings per share (RMB cents)	16	11.42	9.90
Diluted earnings per share (RMB cents)	16	11.39	9.86
Earnings per share - continuing operations			
Basic earnings per share (RMB cents)	16	10.39	9.68
Diluted earnings per share (RMB cents)	16	10.37	9.64

The notes on pages 17 to 133 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 16.

Consolidated statement of profit or loss and
other comprehensive income
for the year ended 31 December 2023
(Expressed in RMB)

	Note	2023 RMB'000	2022 Restated* RMB'000
Profit for the year		<u>988,750</u>	<u>925,769</u>
Other comprehensive income: <i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		<u>(3,529)</u>	<u>(16,227)</u>
Other comprehensive income for the year, net of tax		<u>(3,529)</u>	<u>(16,227)</u>
Total comprehensive income for the year		<u>985,221</u>	<u>909,542</u>
Attributable to equity shareholders of the Company:			
From continuing operations		874,428	838,898
From discontinued operation	5	<u>86,272</u>	<u>19,178</u>
		<u>960,700</u>	<u>858,076</u>
Attributable to non-controlling interests of the Company:			
From continuing operations		16,851	40,258
From discontinued operation	5	<u>7,670</u>	<u>11,208</u>
		<u>24,521</u>	<u>51,466</u>
Total comprehensive income for the year		<u>985,221</u>	<u>909,542</u>

* Comparative information has been re-presented due to a discontinued operation (see Note 5 for details).

The notes on pages 17 to 133 form part of these financial statements.

Consolidated statement of financial position at 31 December 2023 (Expressed in RMB)

	Note	2023 RMB'000	2022 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	18	17,759,434	14,876,597
Right-of-use assets	19	949,945	559,208
Intangible assets	20	716,034	788,224
Interests in associates	21	758,251	776,034
Interests in joint ventures	22	2,082,481	1,578,123
Financial assets at fair value through profit or loss	23	14,746	13,716
Prepayments, deposits and other receivables	26	1,621,121	1,666,400
Finance lease receivables	27	269,816	164,993
Loan receivables	28	30,833	45,240
Deferred tax assets	38(b)	47,268	39,486
		<u>24,249,929</u>	<u>20,508,021</u>
Current assets			
Inventories	29	46,295	59,196
Contract assets	24	116,175	206,728
Trade and bills receivable	25	1,415,900	1,369,622
Prepayments, deposits and other receivables	26	926,884	615,485
Finance lease receivables	27	50,293	32,599
Loan receivables	28	17,797	16,347
Amounts due from associates	21	50,771	85,835
Amounts due from joint ventures	22	304,949	90,563
Financial assets at fair value through profit or loss	23	154,451	138,841
Cash and cash equivalents	30	2,445,465	3,471,039
Restricted deposits	30	1,457,459	578,240
		<u>6,986,439</u>	<u>6,664,495</u>
Total assets		<u>31,236,368</u>	<u>27,172,516</u>

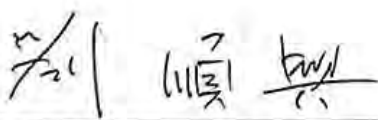
Consolidated statement of financial position at 31 December 2023 (continued) (Expressed in RMB)

	Note	2023 RMB'000	2022 RMB'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	34	2,809,059	1,285,516
Other borrowings	35	11,856,855	10,321,434
Lease liabilities	37	135,486	98,748
Deferred tax liabilities	38(b)	57,722	93,522
Deferred government grants	39	4,516	4,865
Payables for construction in progress, other payables and accruals	32	1,050,671	745,976
Financial guarantee contract liabilities	40	8,060	10,602
		<u>15,922,369</u>	<u>12,560,663</u>
Current liabilities			
Trade and bills payable	31	1,672,288	1,262,570
Payables for construction in progress, other payables and accruals	32	3,084,416	2,736,516
Contract liabilities	33	52,496	59,325
Amounts due to associates	21	70	2,540
Amounts due to joint ventures	22	35,574	156
Bank borrowings	34	973,253	979,411
Other borrowings	35	895,844	734,782
Senior notes	36	-	618,905
Lease liabilities	37	21,821	13,502
Financial guarantee contract liabilities	40	4,823	7,535
Current income tax liabilities		138,000	101,719
		<u>6,878,585</u>	<u>6,516,961</u>
Total liabilities		<u>22,800,954</u>	<u>19,077,624</u>
Net current assets		<u>107,854</u>	<u>147,534</u>
Total assets less current liabilities		<u>24,357,783</u>	<u>20,655,555</u>
Net assets		<u>8,435,414</u>	<u>8,094,892</u>

Consolidated statement of financial position
at 31 December 2023 (continued)
(Expressed in RMB)

	Note	2023 RMB'000	2022 RMB'000
EQUITY			
Share capital	41	72,598	77,443
Reserves		<u>8,210,438</u>	<u>7,754,304</u>
Total equity attributable to equity shareholders of the Company		8,283,036	7,831,747
Non-controlling interests		<u>152,378</u>	<u>263,145</u>
Total equity		<u>8,435,414</u>	<u>8,094,892</u>

Approved and authorized for issue by the board of directors on 6 March 2024.


Liu Shunxing
Chairman and Executive Director


Niu Wenhui
Executive Director

The notes on pages 17 to 133 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2023 (Expressed in RMB)

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

The notes on pages 17 to 133 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2023 (continued) (Expressed in RMB)

	Attributable to equity shareholders of the Company										
					Premium arising on acquisition and disposal of non- controlling interests	Exchange reserves	Other reserves (Note 41(d))	Retained earnings (Note 41(e))	Subtotal	Non- controlling interests	Total equity
	Share capital (Note 41(a))	Treasury shares (Note 41(b))	Share premium	Contributed surplus (Note 41(c))							
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	77,499	(46,760)	731,627	2,359,063	(65,761)	27,677	110,523	4,220,058	7,413,926	148,961	7,562,887
Profit for the year	-	-	-	-	-	-	-	871,817	871,817	53,952	925,769
Other comprehensive income	-	-	-	-	-	(13,741)	-	-	(13,741)	(2,486)	(16,227)
Total comprehensive income for the year	-	-	-	-	-	(13,741)	-	871,817	858,076	51,466	909,542
Ordinary share issued as treasury shares (Note 41(a))	493	(493)	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares (Note 41(a))	(549)	39,510	(38,961)	-	-	-	-	-	-	-	-
Repurchase of ordinary shares (Note 41(b))	-	(239,451)	-	-	-	-	-	-	(239,451)	-	(239,451)
Vesting of shares under share award scheme (Note 42)	-	6,812	15,772	-	-	-	(22,584)	-	-	-	-
Share-based compensation (Note 42)	-	-	-	-	-	-	29,519	-	29,519	-	29,519
2021 final dividends (Note 17)	-	-	-	-	-	-	-	(230,272)	(230,272)	-	(230,272)
Disposal of partial interest in subsidiaries	-	-	-	-	-	-	-	-	-	7,105	7,105
Contribution by non-controlling interests	-	-	-	-	-	-	10,739	-	10,739	149,522	160,261
Acquisition of non-controlling interests	-	-	-	-	(10,790)	-	-	-	(10,790)	(66,197)	(76,987)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(27,712)	(27,712)
Balance at 31 December 2022	77,443	(240,382)	708,438	2,359,063	(76,551)	13,936	128,197	4,861,603	7,831,747	263,145	8,094,892

The notes on pages 17 to 133 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2023

(Expressed in RMB)

	Note	2023 RMB'000	2022 RMB'000
Cash flows from operating activities			
Cash generated from operations	43(a)	1,756,934	2,526,948
Income tax paid		(176,300)	(126,898)
Net cash generated from operating activities		<u>1,580,634</u>	<u>2,400,050</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(3,752,122)	(4,254,027)
Payments for right-of-use assets		(443,063)	(109,293)
Capital injection to joint ventures and an associate		(390)	(300,000)
Net cash inflow on disposal/liquidation of subsidiaries	43(b)	298,647	711,532
Net proceeds from disposal/liquidation of associates		1,120	-
Net proceeds from disposal of property, plant and equipment	43(c)	14,692	1,197
Proceeds from disposal of other financial assets		3,134,526	6,049,039
Payments for acquisition of other financial assets		(3,125,993)	(6,028,827)
Dividends received from joint ventures and an associate		57,579	54,000
Proceeds from dividends received from disposed subsidiaries		75,537	14,572
Interest received		31,047	27,435
Placement of restricted deposits		(1,457,459)	(578,240)
Withdrawal of restricted deposits		578,240	640,967
Net cash used in investing activities		<u>(4,587,639)</u>	<u>(3,771,645)</u>

Consolidated statement of cash flows
for the year ended 31 December 2023 (continued)
(Expressed in RMB)

	Note	2023 RMB'000	2022 RMB'000
Cash flows from financing activities			
Payment for repurchase of shares of the Company	41(b)	(301,001)	(239,451)
Proceeds from bank borrowings	44	3,115,298	1,190,251
Repayment of bank borrowings	44	(1,455,713)	(253,837)
Proceeds from other borrowings	44	4,783,606	3,084,481
Repayment of other borrowings	44	(2,402,934)	(1,531,438)
Withdraw/(placement) of deposits		57,179	(49,656)
Repayment of lease liabilities	44	(17,423)	(12,037)
Repayment of outstanding convertible loan		-	(112,150)
Payment of senior notes	44	(618,453)	-
Dividends paid to equity shareholders of the Company		(278,487)	(231,315)
Dividends paid to non-controlling interests		(26,570)	(23,209)
Proceeds from disposal of partial interests in subsidiaries without losing control		8,100	7,105
Payment for acquisitions of non-controlling interests of subsidiaries		(214,833)	(74,700)
Contributions by non-controlling interests		58,345	160,261
Interest paid	44	(733,444)	(637,001)
Net cash generated from financing activities		<u>1,973,670</u>	<u>1,277,304</u>
Net decrease in cash and cash equivalents		(1,033,335)	(94,291)
Cash and cash equivalents at the beginning of the year		3,471,039	3,510,470
Effect of foreign exchange rate changes		<u>7,761</u>	<u>54,860</u>
Cash and cash equivalents at the end of the year		<u>2,445,465</u>	<u>3,471,039</u>
Analysis of balances of cash and cash equivalents			
Cash and bank balances	30	3,902,924	4,049,279
Restricted deposits	30	(1,457,459)	(578,240)
		<u>2,445,465</u>	<u>3,471,039</u>

The notes on pages 17 to 133 form part of these financial statements.

Notes to the consolidated financial statements

(Expressed in RMB unless otherwise indicated)

1 General information

Concord New Energy Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The address of its registered office is Suite 3901, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong. The address of principal place of business is Rooms 204 to 205, China Wind Power Building, No. 9, South Shou Ti Road, Haidian District, Beijing, the People’s Republic of China (“PRC”).

During the year, the Company and its subsidiaries (together the “Group”) were involved in the following principal activities of operating and investment in power plants, provision of power plant operation and maintenance services, provision of design, technical and consultation services.

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

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

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

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

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

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

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

HKFRS 17, *Insurance contracts*

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on the consolidated financial statements as the Group does not have contracts within the scope of HKFRS 17.

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on the consolidated financial statements as the Group’s approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in Note 38(b), but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (“OECD”) (income tax arising from such tax laws is hereafter referred to as “Pillar Two income taxes”), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes. The amendments are immediately effective upon issuance and require retrospective application. However, because no new legislation to implement the Pillar Two income tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group’s consolidated financial statements.

2.2 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of the consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in the consolidated financial statements. These developments include the following which may be relevant to the Group.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current (“2020 amendments”)</i>	1 January 2024
Amendments to HKAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants (“2022 amendments”)</i>	1 January 2024
Amendments to HKFRS 16, <i>Leases: Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to HKAS 7, <i>Statement of cash flows and HKFRS 7, Financial Instruments: Disclosures : Supplier finance arrangements</i>	1 January 2024
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025
Amendments to HKFRS 10 and HKAS 28, <i>Sales or contribution of assets Between an investor and its associate or joint venture</i>	To be decided

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3 Material accounting policies

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

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

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

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

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

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

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

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

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

3 Material accounting policies (continued)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and a joint venture. Control is achieved when the Company:

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

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

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

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

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

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

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

3 Material accounting policies (continued)

Changes in the Group's interests in existing subsidiaries

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

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

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

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

Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

3 Material accounting policies (continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which the lease term ends within 12 months of the acquisition date; or the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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

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

Goodwill

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

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

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

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

3 Material accounting policies (continued)

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

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

Investments in associates and joint ventures

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

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

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

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

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

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

3 Material accounting policies (continued)

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

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

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

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

Revenue from contracts with customers

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

3 Material accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

3 Material accounting policies (continued)

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

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

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

Variable consideration

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

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

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

Existence of significant financing component

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

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

3 Material accounting policies (continued)

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

Principal versus agent

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

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

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

Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components of a contract

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

3 Material accounting policies (continued)

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

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

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

Refundable rental deposits

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

3 Material accounting policies (continued)

Lease liabilities

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

The lease payments include:

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

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

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

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

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

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

3 Material accounting policies (continued)

Lease modifications

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

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

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

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

The Group as a lessor

Classification and measurement of leases

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

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

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

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

3 Material accounting policies (continued)

Allocation of consideration to components of a contract

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

Refundable rental deposits

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

Lease modification

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

Sale and leaseback transactions

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

The Group as a seller-lessee

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

The Group as a buyer-lessor

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

Foreign currencies

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

3 Material accounting policies (continued)

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

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

Borrowing costs

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

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

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

Government grants

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

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

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

Retirement benefit costs

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

3 Material accounting policies (continued)

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

Short-term employee benefits

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

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

Share-based payment arrangements

Equity-settled share-based payment transactions

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

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

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

Taxation

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

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

3 Material accounting policies (continued)

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

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

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

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

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

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

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

3 Material accounting policies (continued)

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

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

Property, plant and equipment

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

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

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

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

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

3 Material accounting policies (continued)

Buildings under development for future owner-occupied purpose

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

Intangible assets

Intangible assets acquired separately

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

Intangible assets acquired in a business combination

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

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

Impairment losses on tangible and intangible assets other than goodwill

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

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

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

3 Material accounting policies (continued)

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

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

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

Inventories

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

Provisions and contingent liabilities

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

3 Material accounting policies (continued)

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

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

Onerous contracts

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

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

3 Material accounting policies (continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

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

A financial asset is classified as held for trading if:

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

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

3 Material accounting policies (continued)

(i) Amortised cost and interest revenue

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

(ii) Financial assets at FVTPL

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

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

Impairment of financial assets, contract assets and lease receivables

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

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

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

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

3 Material accounting policies (continued)

(i) Significant increase in credit risk

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

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

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

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

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

(ii) Definition of default

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

3 Material accounting policies (continued)

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

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

3 Material accounting policies (continued)

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

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

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

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

Equity instruments

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

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

3 Material accounting policies (continued)

Financial liabilities

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

Financial liabilities at amortised cost

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

Financial guarantee contracts

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

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

Convertible loan contain debt and derivative components

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

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

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

Derecognition of financial liabilities

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

3 Material accounting policies (continued)

Non-current assets held for sale and discontinued operations

Non-current assets held for sale

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

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

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

Discontinued operations

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

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

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

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

Related parties

- (a) A person, or a close member of that person's family, is related to the group if that person:
- (i) has control or joint control over the group;
 - (ii) has significant influence over the group; or
 - (iii) is a member of the key management personnel of the group or the group's parent.

3 Material accounting policies (continued)

Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

Segment reporting

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

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

4 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying accounting policies

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

Revenue recognition on tariff subsidy on sales of electricity

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

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

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

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

In making their judgement, the directors of the Company, taking into account the legal opinion as advised by the Group’s legal advisor, considered that all of the Group’s power plants (including power plants held by the Group’s joint ventures and associates) of which tariff subsidy is recognised as revenue but yet to register in the List currently in operation had been qualified for and had met relevant requirements and conditions for the entitlement of the tariff subsidy when the electricity was delivered on grid.

The directors of the Company are confident that the Group’s eligible operating power plants (including power plants operated by the Group’s joint ventures and associates) are able to be registered in the List in due course and it’s highly probable that the accrued revenue on tariff subsidy will be received but only subject to timing of allocation of funds from the PRC government.

Key sources of estimation uncertainty

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

Impairment of goodwill

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

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

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

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

As at 31 December 2023, the carrying amount of goodwill was RMB715,623,000 (2022: RMB787,716,000). No impairment (2022: No impairment) was recognised during the current year. Details of the recoverable amount calculation are disclosed in Note 20.

5 Discontinued operation

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

The Intelligent operation and maintenance segment was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

Subsequent to the disposal, the Group has continued to purchase power plants operation and maintenance services from the discontinued operation. Although intra-group transactions have been fully eliminated in the consolidated financial results, management has elected to attribute the elimination of transactions between the continuing operations and the discontinued operation before the disposal in a way that reflects the continuance of these transactions subsequent to the disposal, because management believes this is useful to the users of the financial statements.

To achieve this presentation, management has eliminated from the results of the discontinued operation the inter-segment sales (and costs thereof, less unrealised profits) made before its disposal. Because purchases from the discontinued operation will continue after the disposal, inter-segment purchases made by the continuing operations before the disposal are retained in continuing operations.

5 Discontinued operation (continued)

(a) Results of discontinued operation

	Note	For the period from 1 January 2023 to 30 November 2023 RMB'000	2022 RMB'000
Revenue		590,581	392,548
Elimination of inter-segment revenue		(191,459)	(113,456)
External revenue		399,122	279,092
Cost of sales and services rendered		(417,724)	(257,268)
Elimination of cost related to inter-segment sales		191,459	113,456
External cost of sales and services rendered		(226,265)	(143,812)
Gross profit		172,857	135,280
Other income		2,630	1,524
Other gains and losses, net		(5,700)	(1,735)
Impairment losses under expected credit loss model, net of reversal		(698)	-
Distribution and selling expenses		(23,627)	(13,718)
Administrative expenses		(111,567)	(84,204)
Finance costs		(6,656)	(1,366)
Share of profit of associates, net		(390)	-
Results from operating activities		26,849	35,781
Income tax expense		(4,945)	(5,395)
Results from operating activities, net of tax		21,904	30,386
Gain on sale of discontinued operation		82,267	-
Income tax on gain on sale of discontinued operation		(10,229)	-
Profit from discontinued operation, net of tax		93,942	30,386
Profit for the period/year from discontinued operation attributable to:			
Equity shareholders of the Company		86,272	19,178
Non-controlling interests		7,670	11,208
Profit for the period/year from discontinued operation		93,942	30,386
Earnings per share			
Basic earnings per share (RMB cents)	16	1.03	0.22
Diluted earnings per share (RMB cents)	16	1.02	0.22

5 Discontinued operation (continued)

(b) Cash flows used in discontinued operation

	For the period from 1 January 2023 to 30 November 2023 RMB'000	2022 RMB'000
Net cash used in operating activities	(49,954)	(16,196)
Net cash used in investing activities	(562)	(9,006)
Net cash generated from financing activities	70,114	22,563
Net cash outflows for the period / year	19,598	(2,639)

(c) Effect of disposal on the financial position of the Group

	As at 30 November 2023 RMB'000
Property, plant and equipment	96,966
Right-of-use assets	12,207
Goodwill	60,687
Interests in an associate	6,900
Prepayments, deposits and other receivables-non-current portion	5,670
Inventories	39,077
Contract assets	3,856
Trade and bills receivable	329,075
Prepayments, deposits and other receivables-current portion	90,469
Amounts due from related parties	9,657
Cash and cash equivalents	49,025
Other borrowings	(29,131)
Lease liabilities-current portion	(9,929)
Trade and bills payable	(68,218)
Payables for construction in progress, other payables and accruals	(254,837)
Amounts due to associates	(351)
Bank borrowings	(153,531)
Lease liabilities-non-current portion	(107)
Net assets	187,485
Attributable to:	
Equity shareholders of the Company	151,982
Non-controlling interests	35,503
Total equity	187,485
Consideration received, satisfied in cash	80,265
Cash and cash equivalents	(49,025)
Net cash inflows	31,240

6 Segment information

(a) Business segments

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

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

- Power generation segment - operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;
- Intelligent operation and maintenance segment (sold in November 2023 and presented as discontinued operation, see Note 5) - provision of operation and maintenance, asset management, overhaul and commissioning service for wind and solar power plants;
- “Others” segment - provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the “engineering, procurement and construction business”), provision of finance lease services and energy internet services.

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

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

6 Segment information (continued)

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

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

Segment revenues and results, and segment assets and liabilities.

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

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

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

6 Segment information (continued)

	<u>Continuing operations</u>		<u>Discontinued operation</u>		
	<i>Power generation</i>	<i>Others</i>	<i>Intelligent operation and maintenance</i>	<i>Elimination</i>	<i>Total</i>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended					
31 December 2022 (restated)					
Segment revenue					
Sales to external customers*	2,114,106	286,170	279,092	-	2,679,368
Inter-segment revenues	-	481,844	113,456	(595,300)	-
	<u>2,114,106</u>	<u>768,014</u>	<u>392,548</u>	<u>(595,300)</u>	<u>2,679,368</u>
Segment results	1,287,115	12,512	37,359	-	1,336,986
Unallocated other gains and losses, net					318,991
Unallocated income					16,727
Unallocated expenses					(214)
Interest revenue					27,435
Finance costs					<u>(546,316)</u>
Profit before income tax					1,153,609
Income tax expense					<u>(227,840)</u>
Profit for the year					<u>925,769</u>
At 31 December 2022					
Segment assets	24,493,235	1,997,149	433,417	-	26,923,801
Unallocated assets					<u>248,715</u>
Total assets					<u>27,172,516</u>
Segment liabilities	(17,569,471)	(877,550)	(243,644)	-	(18,690,665)
Unallocated liabilities					<u>(386,959)</u>
Total liabilities					<u>(19,077,624)</u>

* Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,769,309,000 and RMB344,797,000, respectively.

6 Segment information (continued)

Reconciliations of reportable segment revenue and assets

For the year ended 31 December 2023

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

6 Segment information (continued)

For the year ended 31 December 2022 (restated)

	<i>Continuing operations</i>		<i>Discontinued operation</i>	
	<i>Power generation</i>	<i>Others</i>	<i>Intelligent operation and maintenance</i>	<i>Total</i>
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue:				
Reportable segment revenue	2,114,106	768,014	392,548	3,274,668
Elimination of inter-segment revenue	-	(481,844)	(113,456)	(595,300)
Consolidated revenue (Note 7)	2,114,106	286,170	279,092	2,679,368
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	4,940,066	76,232	59,016	5,075,314
Depreciation of property, plant and equipment	536,671	8,458	6,292	551,421
Amortisation of other intangible assets and depreciation of right-of-use assets	36,322	4,380	-	40,702
Share-based compensation	26,880	2,168	471	29,519
Interests in joint ventures and associates	2,001,790	352,367	-	2,354,157
Share of profit of joint ventures and associates, net	170,119	1,000	-	171,119
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:				
Loss on disposal of property, plant, and equipment	334	674	255	1,263
Reversal of impairment loss on amounts due from joint ventures	-	(2,181)	-	(2,181)
Recognition of impairment loss on other receivables	-	1,000	-	1,000
Interest revenue	(5,123)	(22,274)	(38)	(27,435)
Finance costs	537,132	7,818	1,366	546,316
Income tax expense	214,295	8,150	5,395	227,840

6 Segment information (continued)

(b) Geographical segments

The Group's operations are mainly located in the PRC and the remaining operations are located in the United States of America, Singapore and Hong Kong.

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

Revenue from external customers

	Continuing operations		Discontinued operation	
	Year ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
The PRC	2,561,091	2,372,558	399,122	279,092
Others	27,555	27,718	-	-
	<u>2,588,646</u>	<u>2,400,276</u>	<u>399,122</u>	<u>279,092</u>

Specified from non-current assets

	Non-current assets	
	At 31 December	
	2023	2022
	RMB'000	RMB'000
The PRC	23,290,717	19,735,082
Others	412,925	229,980
	<u>23,703,642</u>	<u>19,965,062</u>

(c) Information about major customers

Two (2022: Three) external customers individually contribute more than 10% of the total revenue of the Group. The revenue of these customers is summarised below:

	2023	2022
	RMB'000	RMB'000
Customer A	377,163	325,512
Customer B	359,505	410,675
Customer C	*	400,897
Customer D	*	*

Revenue from customers above are attributable to power generation segment.

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

7 Revenue

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

	2023	2022
	RMB'000	Restated RMB'000
Continuing operations		
Revenue from contracts with customers		
Sales of electricity:		
Basic electricity price	1,867,969	1,687,148
Renewable energy subsidy (note (i))	341,581	401,464
Green energy certificates (note (ii))	45,458	25,494
Engineering, procurement and construction services	189,026	231,316
Sales of energy storage system equipment	67,016	-
Provision of technical and consultancy services	21,185	11,204
Provision of design services	18,621	13,406
Provision of agency service on sale of equipment	-	2,466
Other revenue	-	1,036
	<u>2,550,856</u>	<u>2,373,534</u>
Finance lease income	<u>37,790</u>	<u>26,742</u>
Total revenue from continuing operations	<u>2,588,646</u>	<u>2,400,276</u>

Notes:

- (i) Renewable energy subsidy is provided by the relevant PRC government authorities to the wind and solar power plants operating in the PRC, subject to the fulfilment of certain conditions. As further explained in Note 4, approval for the registration in the List is required before the allocation of renewable energy subsidy by the relevant PRC government authorities.
- (ii) According to the Work Plan for Pilot Green Power Trading approved by National Development and Reform Commission and National Energy Administration, wind power and solar power plants that are not included in the List can apply to obtain green energy certificate from National Renewable Energy Information Management Center to participate in green energy trading through power exchange centers. During the year ended 31 December 2023, the Group sells green energy certificates to other green energy participants and recognised relevant revenue with amount of RMB 45,458,000.

7 Revenue (continued)

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

	2023	2022
	RMB'000	Restated RMB'000
Continuing operations		
Point in time:		
Sales of electricity	2,255,008	2,114,106
Sales of energy storage system equipment	67,016	-
Provision of design services	18,621	13,406
Provision of technical and consultancy services	21,185	11,204
Provision of agency service on sale of equipment	-	2,466
Other revenue	-	1,036
	<u>2,361,830</u>	<u>2,142,218</u>
Over time:		
Engineering, procurement and construction	<u>189,026</u>	<u>231,316</u>
	<u>2,550,856</u>	<u>2,373,534</u>

Performance obligations for contracts with customers

The Group's revenue is mainly generated from the sale of electricity, provision of agency service on sale of equipment, the provision of design, technical and consultancy services, engineering, procurement and construction business and finance lease income.

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

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

8 Other income

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

	2023	2022
	RMB'000	Restated RMB'000
Continuing operations		
Interest revenue	30,967	27,397
Government Grants:		
- Tax refunds (note (i))	36,494	15,969
- Others (including amortisation of deferred income in Note 39)	2,196	3,419
Compensations (note (ii))	15,146	-
Guarantee income (note (iii))	8,625	7,108
Rental income	8,039	2,016
Others	3,420	2,700
	<u>104,887</u>	<u>58,609</u>

Notes:

- (i) The amounts mainly represent refunds of value-added tax and other taxes received from the PRC tax authorities.
- (ii) The amounts mainly represented compensations from one of the Group's power equipment suppliers due to breaching the terms of the contract for purchasing of equipment.
- (ii) The amounts mainly represent guarantee fees earned for providing financial guarantees to two associates of the Group (see Note 40).

9 Other gains and losses, net

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

	2023	2022
	RMB'000	Restated RMB'000
Continuing operations		
Gain on disposal/liquidation of subsidiaries, net (Note 43(b))	399,759	255,589
Gain on disposal an associate, net	62	-
Changes in fair value of financial assets at FVTPL	42	82,726
Exchange gain, net	6,346	26,595
Impairment loss recognised for construction in progress (Note 18)	-	(39,139)
Gain/(loss) on disposal of property, plant and equipment (Note 43(c))	2,536	(1,012)
Donation	(2,073)	(2,024)
Others	(2,523)	(3,190)
	<u>404,149</u>	<u>319,545</u>

10 Impairment losses under expected credit loss model, net of reversal

	2023	2022
	RMB'000	Restated RMB'000
Continuing operations		
Impairment loss recognised/(reversed) in respect of:		
- Trade and bills receivable (Note 25)	1,130	-
- Prepayments, deposits and other receivables (Note 26)	-	1,000
- Amounts due from joint ventures (Note 22)	-	(2,181)
	<u>1,130</u>	<u>(1,181)</u>

Details of impairment assessment of financial assets for the year ended 31 December 2023 are set out in Note 49(c).

11 Employee benefit expense (including directors' emoluments)

	2023	2022
	RMB'000	Restated RMB'000
Continuing operations		
Wages, salaries and bonuses	407,453	329,323
Pension costs-defined contribution plans (note (i))	49,775	25,899
Share-based compensation (Note 42)	13,377	29,519
	<u>470,605</u>	<u>384,741</u>
Less: Employee benefit expense capitalised (note (ii))	<u>(199,548)</u>	<u>(170,872)</u>
	<u>271,057</u>	<u>213,869</u>

Notes:

- (i) As at 31 December 2023, the Group had no significant forfeited contributions available to reduce its contributions to the pension scheme in future years (2022: Nil).
- (ii) Employee benefit expense has been capitalised as construction in progress under property, plant and equipment as at 31 December 2023.

Five highest paid individuals

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

12 Directors' and chief executive's emoluments

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

For the year ended 31 December 2023:

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

For the year ended 31 December 2022:

Name	Fees RMB'000	Salary RMB'000	Share-based payment (note (i)) RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors:					
Liu Shunxing (Chairman)	-	6,456	2,665	16	9,137
Liu Jianhong (Vice Chairperson)	-	4,702	2,032	233	6,967
Gui Kai (Chief Executive Officer)	-	3,981	1,656	-	5,637
Niu Wenhui	-	4,012	1,656	155	5,823
Zhai Feng	-	3,129	1,545	156	4,830
Shang Jia	-	3,306	1,600	-	4,906
Non-executive director:					
Wang Feng	-	-	-	-	-
Independent non-executive directors:					
Yap Fat Suan, Henry (note (iii))	211	-	411	-	622
Jesse Zhixi Fang	211	-	411	-	622
Huang Jian (note (iv))	211	-	411	-	622
Zhang Zhong	211	-	411	-	622
Li Yongli (note (ii))	133	-	-	-	133
Total	977	25,586	12,798	560	39,921

12 Directors' and chief executive's emoluments (continued)

Notes:

- (i) These represent amortisation of the fair value of shares award under the Scheme (Note 42) measured at the grant date and charged to the profit or loss during the reporting period.
- (ii) Ms. Li Yongli has been appointed as an independent non-executive director with effect from 19 May 2022.
- (iii) Mr. Yap Fat Suan has been resigned as an independent non-executive director of the Company and the Chairman of the Audit Committee of the Company with effect from 18 December 2023.
- (iv) Ms. Huang Jian has been appointed as the Chairman of the Audit Committee of the Company with effect from 18 December 2023.

Save as those emoluments presented above, no other fees or emoluments were paid, have been or will be paid to the independent non-executive directors in respect of the current year (2022: nil).

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

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

13 Finance costs

	2023	2022
	RMB'000	Restated RMB'000
Continuing operations		
Interest expenses on:		
- Bank borrowings	114,810	68,585
- Other borrowings	561,791	533,401
- Senior notes (Note 36)	35,053	66,454
- Lease liabilities	11,066	5,223
	<u>722,720</u>	<u>673,663</u>
Less: Interest capitalised (note)	<u>(78,555)</u>	<u>(128,713)</u>
	<u>644,165</u>	<u>544,950</u>

13 Finance costs (continued)

Note:

During the year ended 31 December 2023, finance costs have been capitalised at various applicable rates ranging from 3.40% to 11.76% (2022: 3.45% to 11.76%) per annum for qualified assets classified as construction in progress under property, plant and equipment.

14 Profit before income tax

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

	2023	2022
	RMB'000	<i>Restated</i> RMB'000
Continuing operations		
Cost of sales and services rendered included:		
Direct operating costs for power generation	873,717	730,291
Cost of provision of design services	14,398	7,896
Cost of provision of technical and consultancy services	25,445	10,431
Cost of engineering, procurement and construction services	267,003	190,877
Cost of finance lease	2,457	829
Cost of other revenue	-	259
	<u>1,183,020</u>	<u>940,583</u>
Depreciation of property, plant and equipment	668,275	548,694
Depreciation of right-of-use assets	61,629	45,021
Amortisation of other intangible assets	<u>97</u>	<u>97</u>
Total depreciation and amortisation	730,001	593,812
Less: Amount capitalised as construction in progress under property, plant and equipment	<u>(8,271)</u>	<u>(7,981)</u>
Total depreciation and amortisation charged to profit or loss	721,730	585,831
Amounts included in cost of sales and services rendered	<u>(694,522)</u>	<u>(560,141)</u>
Amounts included in administrative expenses	<u>27,208</u>	<u>25,690</u>
Auditor's remuneration	<u>4,050</u>	<u>3,870</u>

15 Income tax expense

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

	2023	2022
	RMB'000	Restated RMB'000
Continuing operations		
Current tax		
- PRC corporate income tax	95,835	74,529
- PRC withholding tax	98,863	95,720
Under-provision in prior years:		
- PRC corporate income tax	2,709	3,511
Deferred tax (Note 38)	(43,582)	48,685
	<u>153,825</u>	<u>222,445</u>

The provision for Hong Kong Profits Tax for 2023 is calculated at 16.5% (2022: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2022.

PRC corporate income tax is provided for at the rate of 25% (2022: 25%) for the year of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. During the year ended 31 December 2023, no provisions for income tax have been made in other jurisdictions as the Group had no assessable profit generated from other jurisdictions (2022: nil).

The law of the PRC on corporate income tax provides that qualified dividend income between two "resident corporates" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to 5% to 10% withholding tax under the tax treaty or the domestic law. The Group is currently subject to withholding tax at 5% to 10%.

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

15 Income tax expense (continued)

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

	2023	2022
	RMB'000	Restated RMB'000
Continuing operations		
Profit before income tax from continuing operations	1,048,633	1,117,828
Tax calculated at domestic income tax rate of 25% (2022: 25%) (note (i))	262,158	279,457
Effect of different tax rates of certain subsidiaries (note (ii))	(47,070)	(18,676)
Tax effect of share of results of associates and joint ventures	(47,575)	(42,812)
Tax effect of non-taxable income	(95,250)	(19,862)
Tax effect of non-deductible expenses	2,627	878
Under-provision in prior years	2,709	3,509
Effects of tax holiday on assessable profits of subsidiaries established in the PRC (note (iii))	(102,825)	(133,336)
Tax effect of tax losses not recognised	58,246	40,054
Utilisation of previously unrecognised tax losses and unrecognised temporary differences	(21,293)	(7,604)
Tax effect of temporary differences not recognised	43,235	25,117
Recognition of withholding tax in current year	98,863	95,720
Income tax	<u>153,825</u>	<u>222,445</u>

Notes:

- (i) The domestic tax rate (which is PRC corporate income tax rate) in the jurisdiction where the operation of the Group is substantially based is used.
- (ii) Certain subsidiaries resided in western China or engaged in high-technology industry are entitled to preferential income tax rate of 9% and 15%, respectively (2022: 9% and 15%, respectively). The tax rate of subsidiaries resided in Hong Kong SAR is 16.5%.
- (iii) Certain subsidiaries of the Group established in the PRC are entitled to preferential tax treatments including three years exemption followed by three years of a 50% tax reduction. The first year exemption started from 2018 to 2023 (2022: 2017 to 2022).

16 Earnings per share

(a) Basic earnings per share

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

(i) Profit attributable to ordinary shareholders

	2023			2022		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit attributable to ordinary shareholders	877,502	86,272	963,774	852,639	19,178	871,817

(ii) Weighted-average number of ordinary shares

	2023 '000	2022 '000
Issued ordinary shares at 1 January	8,975,469	8,985,329
Effect of treasury shares (Note 41)	(533,369)	(180,215)
Weighted-average number of ordinary shares at 31 December	8,442,100	8,805,114

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares from the share award scheme.

(i) Profit attributable to ordinary shareholders (diluted)

	2023			2022		
	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit attributable to ordinary shareholders	877,502	86,272	963,774	852,639	19,178	871,817

16 Earnings per share (continued)

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

	2023 '000	2022 '000
Weighted average number of ordinary shares	8,442,100	8,805,114
Effect of share award scheme	<u>21,432</u>	<u>37,477</u>
Weighted average number of ordinary shares (diluted) at 31 December	<u>8,463,532</u>	<u>8,842,591</u>

17 Dividend

	2023 RMB'000	2022 RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2022 Final – HK\$0.035 (2021: HK\$0.03) per share	<u>278,487</u>	<u>230,272</u>

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2023 of HK\$0.035 per ordinary share has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming general meeting (2022: final dividend in respect of the year ended 31 December 2022 of HK\$0.035 per ordinary share has been proposed by the directors of the Company and approved by the shareholders at the general meeting held on 16 June 2023).

18 Property, plant and equipment

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

18 Property, plant and equipment (continued)

Cost:	Buildings RMB'000	Leasehold improvements RMB'000	Plant, machinery and equipment RMB'000	Office furniture and fixtures RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
As at 1 January 2022	503,142	27,762	9,915,369	82,439	64,801	2,698,091	13,291,604
Additions	509	32,366	9,806	6,223	15,980	4,869,910	4,934,794
Transfer from construction in progress	283,469	-	3,888,560	1,302	-	(4,173,331)	-
Reclassifications	(289,993)	-	289,993	-	-	-	-
Disposals (Note 43(c))	(120)	(52)	(7,492)	(12,594)	(6,077)	-	(26,335)
Disposal of subsidiaries (Note 43(b))	(68,282)	-	(1,400,942)	(1,879)	(521)	(68,738)	(1,540,362)
As at 31 December 2022	428,725	60,076	12,695,294	75,491	74,183	3,325,932	16,659,701
Less: accumulated depreciation:							
As at 1 January 2022	96,602	27,762	1,207,953	67,201	40,210	-	1,439,728
Charge for the year	28,669	-	505,135	14,528	6,654	-	554,986
Reclassifications	(12,151)	-	12,151	-	-	-	-
Disposals (Note 43(c))	(49)	(52)	(7,065)	(11,650)	(5,059)	-	(23,875)
Disposal of subsidiaries (Note 43(b))	(6,863)	-	(221,065)	(672)	(397)	-	(228,997)
As at 31 December 2022	106,208	27,710	1,497,109	69,407	41,408	-	1,741,842
Less: accumulated impairment loss							
As at 1 January 2022	44	-	-	-	-	2,123	2,167
Impairment loss charged for the year (note (d))	-	-	-	-	-	39,139	39,139
Disposal of subsidiaries (Note 43(b))	(44)	-	-	-	-	-	(44)
As at 31 December 2022	-	-	-	-	-	41,262	41,262
Net carrying value:							
As at 31 December 2022	322,517	32,366	11,198,185	6,084	32,775	3,284,670	14,876,597

18 Property, plant and equipment (continued)

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

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

- (b) During the year ended 31 December 2023, depreciation of RMB2,529,000 (2022: RMB3,565,000) has been capitalised as construction in progress under property, plant and equipment.
- (c) As at 31 December 2023, certain buildings and power plant equipment with an aggregate net carrying value of RMB38,596,000 (2022: RMB237,432,000), RMB9,197,018,000 (2022: RMB8,575,305,000), respectively, have been pledged to banks and certain financial institutions to secure banking facilities and other borrowings granted to the Group (Note 34 and Note 35).
- (d) During the year ended 31 December 2022, the Group reassessed the recoverable amounts of certain construction in progress in power generation segment due to the change of project development and construction plans, and as a result an impairment loss of RMB39,139,000 was provided and recognised in "Other gains and losses, net". The estimates of recoverable amount were based on the fair values less costs of disposal, using market comparison approach by reference to recent sales price of similar assets. The fair value on which the recoverable amount is based on is categorised as level 3 measurement. Based on the Group's assessment for the year ended 31 December 2023, no further impairment loss was provided.

19 Right-of-use assets

	Power plant equipment RMB'000	Leasehold lands RMB'000	Buildings RMB'000	Total RMB'000
As at 1 January 2023				
Net carrying amount	68,938	490,270	-	559,208
As at 31 December 2023				
Net carrying amount	95,422	847,312	7,211	949,945
For the year ended 31 December 2022				
Depreciation charge for the year	15,422	29,599	-	45,021
For the year ended 31 December 2023				
Depreciation charge for the year	19,369	37,236	7,979	64,584

19 Right-of-use assets (continued)

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

	2023 RMB'000	2022 RMB'000
Within operating cash flows	274	273
Within investing cash flows	443,063	109,293
Within financing cash flows	30,798	18,507
Total cash flow for leases (note(ii))	474,135	128,073

Notes:

- (i) During the year ended 31 December 2023, additions to right-of-use assets were RMB516,798,000 (2022: RMB140,520,000).
- (ii) These amounts include payments of capital and interest element of lease liabilities, payments for leases of low-value-assets and payments of lease payments on or before lease commencement date (including leasehold land). These amounts could be presented in operating, investing or financing cash flows.

For the years ended 31 December 2023 and 2022, the Group leases various machineries and leasehold lands for its operations. Lease contracts are entered into for fixed term of 2 years to 49 years, and do not contain extension or termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

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

20 Intangible assets

	Goodwill RMB'000	Other intangible assets RMB'000	Total RMB'000
Net carrying value as at 1 January 2022	816,850	605	817,455
Amortisation	-	(97)	(97)
Disposal of subsidiaries (Note 43(b))	(29,134)	-	(29,134)
Net carrying value as at 31 December 2022	787,716	508	788,224
Amortisation	-	(97)	(97)
Disposal of subsidiaries (Note 43(b))	(72,093)	-	(72,093)
Net carrying value as at 31 December 2023	715,623	411	716,034

20 Intangible assets (continued)

Goodwill

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

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

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

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

	<u>Continuing operations</u>		<u>Discontinued operation</u>
	<i>Investment in wind power plants</i>	<i>Engineering, procurement and construction ("EPC Business") (note(i))</i>	<i>Intelligent operation and maintenance (note(ii))</i>
	RMB'000	RMB'000	RMB'000
Cost			
At 1 January 2022	742,947	75,800	60,687
Disposal of subsidiaries (Note 43(b))	(29,134)	-	-
At 31 December 2022 and 1 January 2023	713,813	75,800	60,687
Disposal of subsidiaries (Note 43(b))	(11,406)	-	(60,687)
At 31 December 2023	702,407	75,800	-
Impairments			
At 1 January 2022, 31 December 2022 and 31 December 2023	-	(62,584)	-
Net carrying amount	702,407	13,216	-

Notes:

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

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

20 Intangible assets (continued)

- (ii) In November 2023, the Group disposed part of interest in Intelligent operation and maintenance business and the relevant goodwill allocated to Intelligent operation and maintenance CGU was derecognised accordingly (see Note 5).

(b) Key assumptions

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

	2023	2022
Investment in wind power plants		
Pre-tax discount rate for operating projects	16.32%	17.04%
Pre-tax discount rate for under-construction projects	18.98%	19.71%
Growth rate in the forecast period	N/A	N/A
Engineering, procurement and construction ("EPC Business")		
Pre-tax discount rate	15.00	15.00
Growth rate in the Forecast Period	N/A	N/A
Power plant operations and maintenance		
Pre-tax discount rate	N/A	15.00
Growth rate in the Forecast Period	N/A	N/A

(c) Sensitivity analysis

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

- If discount rate applied increased/decreased 1% (2022: 1%) and all other variables were held constant, the Group's recoverable amount of the CGUs as at 31 December 2023 would have decreased/increased by RMB349,280,000/RMB355,970,000 (2022: RMB1,486,354,000/RMB1,660,293,000).
- If power generation volume increased/decreased by 5% (2022: 5%) and all other variables were held constant, the Group's recoverable amount of the CGUs as at 31 December 2023 would have increased/decreased by RMB2,641,740,000/RMB2,632,480,000 (2022: RMB2,469,037,000/RMB2,475,707,000).

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

21 Interests in associates and balances with associates

	2023 RMB'000	2022 RMB'000
Non-current assets		
Cost of investment in associates	713,930	715,050
Share of post-acquisition results and other comprehensive income, net of dividends received	44,321	60,984
Share of net assets of associates (note (i))	758,251	776,034
Current assets		
Amounts due from associates (note (ii))	878	10,110
Other receivables from associates (note (iii))	23,765	48,073
Finance lease receivables	26,128	29,959
	50,771	88,142
Less: Allowance for amounts due from associates	-	2,307
	50,771	85,835
Current liabilities		
Amounts due to associates	(70)	(2,540)

Notes:

- (i) As at 31 December 2023 and 2022, particulars of the principal associates are as follows:

Name of associates	Place of establishment and operations and kind of legal entity	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2023	2022	
Fuxin Taihe Wind Power Co., Ltd. ("Fuxin Taihe")	The PRC, limited company	30%	30%	Wind power plant investment and operation
Changtu Liaoneng Xiexin Wind Power Co., Ltd.	The PRC, Sino-foreign equity joint venture	25%	25%	Wind power plant investment and operation
Jilin Province Zhanyu Wind Power Assets Management Co., Ltd.	The PRC, limited company	17% (note i)	17% (note i)	Wind power plant investment and operation
Chaoyang Century Concord Wanjia Wind Power Co., Ltd.	The PRC, limited company	30%	30%	Wind power plant investment and operation
Daoxian Century Concord Wind Power Co., Ltd.	The PRC, limited company	25%	25%	Wind power plant investment and operation
Daoxian Jingtang Century Concord Wind Power Co., Ltd.	The PRC, limited company	25%	25%	Wind power plant investment and operation

21 Interests in associates and balances with associates (continued)

Name of associates	Place of establishment and operations and kind of legal entity	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2023	2022	
Harbin Maitu Precision Technology Co., Ltd	The PRC, limited company	17% (note (ii))	17% (note (ii))	Medical research and experimental development
Harbin Beike Health Technology Co., Ltd	The PRC, limited company	20%	20%	Medical research and experimental development

Note:

- (i) Even though the Group holds less than 20% of the voting rights of this investee, the Group demonstrates significant influences over this investee by holding a seat on the board of directors for a board with 10 members and the 10 members each represent respective shareholders of this investee, and the Group is the second highest percentage in total shareholding of the investee while the largest shareholder holds 18.55% equity interest in this investee.
- (ii) Even though the Group holds 17% of the voting rights of the investee, which is less than 20%, the Group demonstrates significant influences over this investee by holding a seat on the board of directors for a board with 4 members and the 4 members each represent respective shareholders of this investee. And the Group is the second highest percentage in total shareholding of the investee while the largest shareholder holds 83.33% equity interest in this investee.
- (iii) Amounts due from associates represent trade receivables and are unsecured, interest-free and repayable based on terms of the relevant contracts.

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

	2023 RMB'000	2022 RMB'000
Within 3 months	-	7,803
Over 1 year	878	-
	<u>878</u>	<u>7,803</u>

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

Summarised financial information of associates

Set out below is the summarised unaudited financial information for Fuxin Taihe, a principal associate of the Group in the opinion of the directors of the Company, prepared under HKFRSs which is accounted for using the equity method.

21 Interests in associates and balances with associates (continued)

Fuxin Taihe

Summarised statement of financial position

	2023 RMB'000	2022 RMB'000
Current assets	240,034	284,860
Non-current assets	377,832	404,987
Current liabilities	(54,034)	(56,906)
Non-current liabilities	<u>(175,700)</u>	<u>(218,500)</u>
Net assets	<u>388,132</u>	<u>414,441</u>

Summarised statement of profit or loss and other comprehensive income

	2023 RMB'000	2022 RMB'000
Revenue	99,252	103,631
Depreciation and amortisation	(36,018)	(36,958)
Finance costs	(9,316)	(9,865)
Other expenses	<u>(10,379)</u>	<u>(10,872)</u>
Profit before income tax	43,539	45,936
Income tax expense	<u>(9,849)</u>	<u>(11,221)</u>
Profit and other comprehensive income for the year	<u>33,690</u>	<u>34,715</u>
Dividend received from the associate during the year	<u>18,000</u>	<u>30,000</u>
Share of profit and other comprehensive income by the Group	<u>10,107</u>	<u>10,415</u>

21 Interests in associates and balances with associates (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2023 RMB'000	2022 RMB'000
Net assets of Fuxin Taihe as at 31 December	388,132	414,441
The Group's shareholding in Fuxin Taihe	30%	30%
The Group's share of net assets of Fuxin Taihe	116,440	124,333
Unrealised profits, net	1,559	1,069
Carrying amount of the Group's interest in Fuxin Taihe	117,999	125,402

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

	2023 RMB'000	2022 RMB'000
Aggregate carrying amount of the Group's interests in these associates	640,252	650,632
The Group's share of profit and other comprehensive income for the year	6,922	9,589

22 Interests in joint ventures and balances with joint ventures

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

	2023 RMB'000	2022 RMB'000
Non-current assets		
Cost of investment in joint ventures	1,774,455	1,331,663
Share of post-acquisition results and other comprehensive income, net of dividends received	308,026	246,460
Share of net assets of joint ventures (note (i))	2,082,481	1,578,123
Current assets		
Amounts due from joint ventures	304,949	90,563
Current liabilities		
Amounts due to joint ventures	(35,574)	(156)

22 Interests in joint ventures and balances with joint ventures (continued)

Notes:

- (i) As at 31 December 2023 and 2022, particulars of the principal joint ventures are as follows:

Name of joint ventures	Place of establishment and operations and kind of legal entity	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		Principal activities
		2023	2022	2023	2022	
Jilin CWP-Milestone Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Erlanhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Jilin Taihe Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Tongliao Taihe Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Mengdong Century Concord New Energy Co., Ltd.	The PRC, limited Company	32%	32%	50%	50%	Wind power plant investment and operation
Gansu Guazhou Century Concord Wind Power Co., Ltd.	The PRC, limited Company	51%	51%	50%	50%	Wind power plant investment and operation
Suzhou Century Concord Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Xiaoxian Century Concord Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Jianghua Yao Autonomous County Century Concord Wind Power Co., Ltd.	The PRC, limited company	59%	59%	50%	50%	Wind power plant investment and operation
Jingmen Century Concord Wind Power Co., Ltd.	The PRC, limited Company	59%	59%	50%	50%	Wind power plant investment and operation
Hebi Century Junlong Wind Power Co., Ltd.	The PRC, limited Company	59%	59%	50%	50%	Wind power plant investment and operation
Yantai Yihao New Energy Development Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Yantai Jinghui Consulting Co., Ltd.(Yantai Jinghui) (note (ii))	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Binxian Century Concord Wind Power Co., Ltd.("Binxian Century") (note (iii))	The PRC, limited Company	49%	100%	40%	100%	Wind power plant investment and operation
Beijing Century Concord Operation and Maintenance Co., Ltd. (note (iv))	The PRC, limited Company	33%	72%	40%	100%	Wind power plant investment and operation

22 Interests in joint ventures and balances with joint ventures (continued)

Notes:

- (ii) During the year ended 31 December 2022, the Group acquired the 41.5% non-controlling interests of Yantai Jinghui from 5 individual persons, one of them is the director of the Company, and then disposed of 51% interests in Yantai Jinghui to a third party. After the above transactions, the Group lost control of Yantai Jinghui with remaining 49% equity interests in Yantai Jinghui and the 51% equity interests in Yantai Jinghui was held by the third party which is independent to the Group. Under the joint venture agreement, at least two-thirds of the voting rights are required for decision on directing the relevant activities of Yulong, the directors are of the opinion that the Group's interest in Yulong is accounted for as a joint venture.
- (iii) During the year ended 31 December 2023, the Group entered into a series of share transfer agreements and finally disposed of 51% equity interests in Binxian Century, a subsidiary of the Group, to a third party, which is independent to the Group. The Group lost control of Binxian Century with remaining 49% equity interest and cease to consolidate Binxian Century in consolidated financial statements. Under the joint venture agreement, at least two-thirds of the voting rights are required for decision on directing the relevant activities of Binxian Century, the directors are of the opinion that the Group's interest in Binxian Century is accounted for as a joint venture (see Note 43(b)).
- (iv) During the year ended 31 December 2023, Beijing Juyang Juhe Solar Power Technology Development Co., Ltd., a subsidiary of the Group, entered into the share transfer agreement with Xizang Dingyu Century Concord New Energy Development Co., Ltd., which is controlled by a connected person of the Company, to sell 28.75% shareholding interests in the Group's subsidiary, Beijing Century Concord Operation and Maintenance Co., Ltd. ("Concord Operation and Maintenance"). Also, Century Concord Wind Power Investment Co., Ltd., another subsidiary of the Group, entered into the share transfer agreement with another third party, Shanxi Juhua Investment Co., Ltd, to dispose 100% interests in Xizang Jingwei Century Concord New Energy Investment Co., Ltd., which held 10% interests in Concord Operation and Maintenance. The Group previously held 72% shareholding interests in Concord Operation and Maintenance before the above-mentioned transactions.

After the above transactions, the Group lost control of Concord Operation and Maintenance with remaining 33.25% equity interests in Concord Operation and Maintenance and the 46.75% and 20% equity interests in Concord Operation and Maintenance were held by an entity controlled by a connected person of the Company and two third parties which are independent to the Group, respectively. Under the joint venture agreement, at least three-fifths of the voting rights are required for decision on directing the relevant activities of Concord Operation and Maintenance, the directors are of the opinion that the Group's interest in Concord Operation and Maintenance is accounted for as a joint venture (see Note 43(b)). Also, Concord Operation and Maintenance constituted Group's Intelligent operation and maintenance segment and was classified as discontinued operation (see Note 5).

22 Interests in joint ventures and balances with joint ventures (continued)

- (iv) Amounts due from joint ventures included trade receivables from joint ventures amounted RMB900,000 (2022: RMB4,894,000), which were netted of impairment loss of RMB nil (2022: RMB nil), are unsecured, interest-free and repayable according to the terms of the relevant contracts. The remaining balances of RMB251,240,000 (2022: RMB85,669,000) are unsecured, interest-free and repayable on demand.

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

	<i>Lifetime ECL (credit-impaired) 2023 RMB'000</i>	<i>Lifetime ECL (credit-impaired) 2022 RMB'000</i>
At 1 January	-	2,181
Impairment loss reversed during the year, net	-	(2,181)
At 31 December	-	-

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

	<i>2023 RMB'000</i>	<i>2022 RMB'000</i>
Within 3 months	900	4,349
3 to 6 months	-	545
	<u>900</u>	<u>4,894</u>

22 Interests in joint ventures and balances with joint ventures (continued)

Summarised financial information of joint ventures

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

Concord Operation and Maintenance

Summarised statement of financial position

	2023 RMB'000
Current assets	543,016
Non-current assets	114,678
Current liabilities	(462,449)
Non-current liabilities	(59,393)
Net assets	<u>135,852</u>
Attributable to:	
Equity shareholders	135,269
Non-controlling interests	583
Total equity	<u>135,852</u>

Summarised statement of profit or loss and other comprehensive income

	<i>For the period from 1 December 2023 to 31 December 2023</i> RMB'000
Revenue	82,186
Depreciation and amortisation	(1,027)
Finance costs	(2,080)
Other expenses	(79,466)
Loss before income tax	(387)
Income tax expense	8,859
Profit and other comprehensive income for the year	<u>8,472</u>
Dividend received from the joint venture during the year	<u>-</u>
Share of profit and other comprehensive income by the Group	<u><u>2,817</u></u>

22 Interests in joint ventures and balances with joint ventures (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2023 RMB'000
Total equity of Concord Operation and Maintenance attributable to equity shareholders as at 31 December	135,269
The Group's shareholding in Concord Operation and Maintenance	33.25%
The Group's share of net assets of Concord Operation and Maintenance	44,977
Impact of fair value adjustment	65,998
Carrying amount of the Group's interest in Concord Operation and Maintenance	110,975

The Group's other joint ventures are involved in wind power plant investments and operations and related activities in the PRC, and each joint venture involved in wind power plant investments and operations has similar risks and returns. Accordingly, the directors of the Company have considered that it is appropriate to aggregate the disclosures in accordance with HKFRS 12 *Disclosure of Interests in Other Entities* and present the summarised financial information of the Group's joint ventures engaged in the same principal activities on an aggregate basis.

Summarised aggregate financial information of the Group's joint ventures engaged in wind power plant investments and operations is as follows:

	2023 RMB'000	2022 RMB'000
Current assets	2,696,304	2,181,002
Non-current assets	6,738,583	5,728,662
Current liabilities	(1,413,941)	(1,556,693)
Non-current liabilities	(3,842,279)	(2,988,063)
Net assets	4,178,667	3,364,908

22 Interests in joint ventures and balances with joint ventures (continued)

The above amounts of assets and liabilities include the following:

	2023 RMB'000	2022 RMB'000
Cash and cash equivalents	357,726	487,887
Current financial liabilities (excluding trade payables and other payables)	(1,012,222)	(808,576)
Non-current financial liabilities	<u>(3,824,001)</u>	<u>(2,987,809)</u>
	2023 RMB'000	2022 RMB'000
Revenue	1,390,549	1,243,365
Depreciation and amortisation	(494,039)	(435,104)
Interest expense	(154,408)	(170,287)
Other expenses	<u>(302,862)</u>	<u>(218,059)</u>
Profit before income tax	439,240	419,915
Income tax expense	<u>(75,136)</u>	<u>(76,277)</u>
Net profit and other comprehensive income for the year	<u>364,104</u>	<u>343,638</u>
Dividend received from these joint ventures during the year	<u>59,933</u>	<u>-</u>

23 Financial assets at fair value through profit or loss

	2023 RMB'000	2022 RMB'000
Unlisted equity securities, at fair value (note)	69,659	66,782
Listed equity securities, at fair value	99,538	85,565
RMB wealth management products	<u>-</u>	<u>210</u>
	<u>169,197</u>	<u>152,557</u>
Analysed for reporting purpose as:		
Current assets	154,451	138,841
Non-current assets	<u>14,746</u>	<u>13,716</u>
	<u>169,197</u>	<u>152,557</u>

Note:

The unlisted equity securities represent investment in equity securities issued by private entities established and operate in the PRC and the United States.

24 Contract assets

	2023 RMB'000	2022 RMB'000
Retention receivables	77,009	186,939
Contract assets arising from performance under construction contracts	<u>39,166</u>	<u>19,789</u>
	116,175	206,728
Impairment loss on contract assets	<u>-</u>	<u>-</u>
	<u>116,175</u>	<u>206,728</u>
Analysed for reporting purposes as:		
Current assets	<u>116,175</u>	<u>206,728</u>
	<u>116,175</u>	<u>206,728</u>

25 Trade and bills receivable

	2023 RMB'000	2022 RMB'000
Trade receivables, at amortised cost (note (i))	419,792	552,868
Tariff adjustment receivables, at amortised cost (note (ii))	991,170	811,282
Bills receivable, at FVTPL (note (iii))	<u>9,000</u>	<u>8,564</u>
	1,419,962	1,372,714
Impairment loss on trade receivables (note (i))	<u>(4,062)</u>	<u>(3,092)</u>
	<u>1,415,900</u>	<u>1,369,622</u>

25 Trade and bills receivable (continued)

The Group does not hold any collaterals over trade and bills receivable as security.

Details of impairment assessment of trade receivables for the year ended 31 December 2023 are set out in Note 49.

Notes:

(i) Trade receivables

The Group's trade receivables include receivables from the sale of electricity, provision of construction and other services. The Group's credit terms granted to customers ranging from 30 to 180 days. For certain construction projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the contracts signed between the Group and its customers.

Further details on the Group's credit policy and credit risk arising from trade debtors are set out in Note 49 (c).

As at 31 December 2023, the ageing analysis of the trade receivables, net of allowance for credit losses, presented based on invoice date, is as follows:

	2023 RMB'000	2022 RMB'000
Within 3 months	309,013	342,775
3 to 6 months	14,975	49,612
6 to 12 months	78,845	54,356
1 to 2 years	10,850	86,759
Over 2 years	2,047	16,274
	<u>415,730</u>	<u>549,776</u>

Certain of the Group's bank borrowings (see Note 34) are pledged by the cash receipts from the sale of electricity by certain of the Group's power plants.

25 Trade and bills receivable (continued)

(ii) Tariff adjustment receivables

An ageing analysis of the tariff adjustment receivables, based on the revenue recognition date, is as follows:

	2023 RMB'000	2022 RMB'000
Within 3 months	94,055	106,622
3 to 6 months	85,296	82,315
6 to 12 months	206,635	196,455
Over 1 year	605,184	425,890
	<u>991,170</u>	<u>811,282</u>

Tariff adjustment receivables from the sale of electricity mainly represent receivables from the state grid companies. The collection of the tariff adjustment receivables is subject to settlement by state grid companies upon finalisation of the allocation of funds by relevant PRC government authorities to the state grid companies.

(iii) Bills receivable

As at 31 December 2023, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Bills") to certain of its suppliers in order to settle the trade payables for these suppliers with amount of RMB1,200,000 (2022: RMB784,006,000). The Bills have a maturity of one to six months at the end of the reporting period. The directors of the Company are of the opinion that the Group has transferred substantially all risks and rewards relating to the Bills. Accordingly, it has derecognised the full carrying amounts of the Bills and the associated liabilities.

All of bills receivable of the Group are with a maturity period of less than one year.

The Group's bills receivable are recognised as financial assets at FVTPL as the bills receivable are held for sale in accordance with HKFRS 9.

26 Prepayments, deposits and other receivables

	2023 RMB'000	2022 RMB'000
Prepayments for purchase of property, plant and equipment	285,719	217,995
Other prepayments	225,057	148,355
Deposits for other borrowings (Note 35)	181,164	240,343
Other deposits	137,878	146,903
Receivables from disposal of subsidiaries	163,438	150,687
Receivables from former subsidiaries	22,439	101,633
Receivables on disposal of a convertible bond	24,153	37,192
Other receivables	58,079	38,910
Deductible VAT (note(i))	1,450,985	1,195,520
Premium receivables for financial guarantee contracts	12,883	18,137
	<u>2,561,795</u>	<u>2,295,675</u>
Less: loss allowance (note (ii))	<u>(13,790)</u>	<u>(13,790)</u>
	<u>2,548,005</u>	<u>2,281,885</u>
Less: Non-current portion		
Prepayments for purchase of property, plant and equipment	285,719	217,995
Deposits for other borrowings	181,164	240,343
Other deposits and prepayments	41,825	100,445
Premium receivables for financial guarantee contracts	8,060	10,602
Other receivables	-	34,180
Deductible VAT (note (i))	1,109,953	1,068,435
	<u>1,626,721</u>	<u>1,672,000</u>
Less: loss allowance (note (ii))	<u>(5,600)</u>	<u>(5,600)</u>
Non-current portion classified under non- current assets	<u>1,621,121</u>	<u>1,666,400</u>
Current portion classified under current assets	<u>926,884</u>	<u>615,485</u>

26 Prepayments, deposits and other receivables (continued)

Notes:

- (i) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment
- (ii) The movements of the impairment loss are as follows:

	<i>Lifetime ECL (credit-impaired) 2023 RMB'000</i>	<i>Lifetime ECL (credit-impaired) 2022 RMB'000</i>
Continuing operations		
At 1 January	13,790	15,319
Impairment recognised during the year, net	-	1,000
Written-off	-	(2,529)
At 31 December	<u>13,790</u>	<u>13,790</u>

Details of impairment assessment of other receivables for the year ended 31 December 2023 are set out in Note 49.

27 Finance lease receivables

	<i>2023 RMB'000</i>	<i>2022 RMB'000</i>
Analysed for reporting purposes as:		
Current assets	50,293	32,599
Non-current assets	<u>269,816</u>	<u>164,993</u>
	<u>320,109</u>	<u>197,592</u>

During the year ended 31 December 2023, the Group entered into finance lease arrangements for certain of its machines and equipment. The period of finance leases entered into is ranged from 3 to 11 years.

27 Finance lease receivables (continued)

	<i>Minimum lease payments</i>		<i>Present value of minimum lease payments</i>	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Finance lease receivables comprise:				
Within 1 year	69,897	47,242	50,293	32,599
1 to 2 years	71,047	44,376	53,549	32,602
2 to 5 years	193,882	107,838	165,182	87,844
Over 5 years	55,011	49,748	51,085	44,547
	389,837	249,204	320,109	197,592
Less: unrealised finance income	(69,728)	(51,612)	N/A	N/A
	320,109	197,592	320,109	197,592

During the year ended 31 December 2023, effective interest rates of the above finance leases range from 5.36% to 9.43% per annum (2022: 7.33% to 9.48%).

Finance lease receivables are secured over the machines and equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

Details of impairment assessment of finance lease receivables for the year ended 31 December 2023 are set out in Note 49.

28 Loan receivables

	2023 RMB'000	2022 RMB'000
Variable-rate loan receivables	48,630	61,587
Analysed for reporting purposes as:		
Current assets	17,797	16,347
Non-current assets	30,833	45,240
	48,630	61,587

During the year ended 31 December 2023, the Group engaged in several sales and leaseback transactions as a buyer-lessor, in which the transfer of assets did not satisfy the requirements of HKFRS 15 to be accounted for as a sale from the point of the view of the lessee. Therefore, the Group recognised the transfer amount as loan receivables.

28 Loan receivables (continued)

The exposure of the Group's variable-rate loan receivables to interest rate risks and relevant contractual maturity dates are as follows:

	2023 RMB'000	2022 RMB'000
Variable-rate loan receivables		
Within 1 year	20,200	20,486
2 to 5 years	32,988	49,310
Over 5 years	220	692
	<u>53,408</u>	<u>70,488</u>
Less: unrealised finance income	<u>(4,778)</u>	<u>(8,901)</u>
	<u>48,630</u>	<u>61,587</u>

Details of impairment assessment of loan receivables for the year ended 31 December 2023 are set out in Note 49.

29 Inventories

	2023 RMB'000	2022 RMB'000
Raw materials	13,946	721
Work in progress	4,142	2,735
Spare parts and others	28,207	55,740
	<u>46,295</u>	<u>59,196</u>

The cost of inventories recognised as expense and included in profit or loss amounted to RMB75,428,000 (2022: RMB73,049,000).

30 Cash and cash equivalents

	2023 RMB'000	2022 RMB'000
Cash and bank balances	3,902,924	4,049,279
Less: Restricted deposits (note)	<u>(1,457,459)</u>	<u>(578,240)</u>
Cash and cash equivalents	<u>2,445,465</u>	<u>3,471,039</u>

30 Cash and cash equivalents (continued)

The Group's cash and cash equivalents denominated in foreign currencies, which are not respective entities' functional currencies, are set out below:

	2023 RMB'000	2022 RMB'000
Denominated in:		
- RMB	4,325	51,281
- HK\$	102	106
- US\$	420,020	331,205
	<u>424,447</u>	<u>382,592</u>

Note: As at 31 December 2023, the restricted deposits mainly represent bank acceptance bill deposits and electricity sale guarantee deposits.

As at 31 December 2023, the weighted average effective interest rate on the Group's bank balances is 0.20% per annum (2022: 0.25%).

31 Trade and bills payable

	2023 RMB'000	2022 RMB'000
Trade payable	389,768	500,932
Bills payable	<u>1,282,520</u>	<u>761,638</u>
	<u>1,672,288</u>	<u>1,262,570</u>

As at 31 December 2023, retention payables in respect of construction contracts are included in trade payables with amount of RMB207,197,000 (2022: RMB204,660,000) which are normally repayable more than 1 year. The average credit period on purchase of goods is approximately one year (2022: one year).

As at 31 December 2023, the maturity date of bills payable was within 6 and 12 months (2022: within 6 and 12 months).

An ageing analysis of the trade payables based on invoice date is as follows:

	2023 RMB'000	2022 RMB'000
Within 3 months	63,919	94,006
3 to 6 months	16,794	60,287
6 to 12 months	39,047	7,041
1 to 2 years	142,370	33,755
Over 2 years	<u>127,638</u>	<u>305,843</u>
	<u>389,768</u>	<u>500,932</u>

32 Payables for construction in progress, other payables and accruals

	2023 RMB'000	2022 RMB'000
Payables for construction in progress	3,128,579	2,115,696
Retention payables	759,860	1,030,618
Deposits received for disposals of subsidiaries	2,500	2,500
Other payables and accruals	<u>244,148</u>	<u>333,678</u>
	4,135,087	3,482,492
Less: balances repayable after one year and shown under non-current liabilities	<u>(1,050,671)</u>	<u>(745,976)</u>
Current portion classified under current liabilities	<u><u>3,084,416</u></u>	<u><u>2,736,516</u></u>

33 Contract liabilities

	2023 RMB'000	2022 RMB'000
Construction contracts		
- Billings in advance of performance	<u>52,496</u>	<u>59,325</u>

34 Bank borrowings

	2023 RMB'000	2022 RMB'000
Secured	3,287,663	1,911,717
Unsecured	<u>494,649</u>	<u>353,210</u>
Total bank borrowings	<u><u>3,782,312</u></u>	<u><u>2,264,927</u></u>

The secured bank borrowings are secured by certain buildings and power plant equipment of the Group (Note 18), cash receipts from the sale of electricity by certain of the Group's power plants (Note 25) and certain equity interests in subsidiaries.

34 Bank borrowings (continued)

The carrying amounts of bank borrowings are repayable as follows*:

	2023 RMB'000	2022 RMB'000
Within 1 year	973,253	979,411
Between 1 and 2 years	345,838	100,667
Between 2 and 5 years	737,722	307,978
Over 5 years	<u>1,725,499</u>	<u>876,871</u>
	3,782,312	2,264,927
Less: Amounts due within one year shown under current liabilities	<u>(973,253)</u>	<u>(979,411)</u>
Amounts shown under non-current liabilities	<u>2,809,059</u>	<u>1,285,516</u>

* The above amounts due are based on scheduled repayment dates set out in the respective loan agreements.

The interest rate risk exposure of the Group's bank borrowings are as follows:

	2023 RMB'000	2022 RMB'000
Fixed rate bank borrowings	329,499	228,409
Variable rate bank borrowings	<u>3,452,813</u>	<u>2,036,518</u>
	<u>3,782,312</u>	<u>2,264,927</u>

The ranges of effective interest rates on the Group's bank borrowings are as follows:

	2023 RMB'000	2022 RMB'000
Effective interest rate:		
Variable rate bank borrowings	2.20% - 5.62%	2.70% - 5.23%
Fixed rate bank borrowings	<u>2.60% - 4.49%</u>	<u>3.40% - 4.50%</u>

The fair values of bank borrowings are estimated using discounted cash flow calculations based on the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debts. The carrying amounts of non-current bank borrowings approximate their fair values at each end of the reporting period.

35 Other borrowings

	2023 RMB'000	2022 RMB'000
Analysed for reporting purposes as:		
Current liabilities	895,844	734,782
Non-current liabilities	<u>11,856,855</u>	<u>10,321,434</u>
	<u>12,752,699</u>	<u>11,056,216</u>

During the year, the Group has entered into agreements (the "Agreements") with certain PRC financial institutions (the "Financial Institution") and the Group drew down RMB5,363,406,000 (2022: RMB 3,812,177,000) in aggregate from the Financial Institutions of which RMB579,800,000 (2022: RMB727,696,000) was received in the form of bank-acceptance bills. Such borrowings are to be repayable in 2024 to 2039 with variable interest rate ranging from 3.90% to 5.66% per annum (2022: ranging from 4.25% to 5.50% per annum).

The collaterals for other borrowings are as follow:

- (i) The Group transferred certain ownership titles of certain property, plant and equipment to the Financial Institutions.
- (ii) The Group entered into financial guarantee contracts in favor of the Financial Institutions for the due performance of the Group's obligations under the Agreements.
- (iii) Upon the discharging all the Group's obligations under the Agreements, the Financial Institutions will return those ownership titles of property, plant and equipment to the Group for nominal considerations. Despite the Agreements involved a legal form of a lease, the Group accounted for the Agreements as collateralised borrowing in accordance with the actual substance of the Agreements.
- (iv) An aggregate amount of security deposits of RMB250,494,000 placed with the Financial Institutions as at 31 December 2023 (2022: RMB309,673,000), of which RMB69,330,000 could be offset with certain repayment instalments as agreed with the Financial Institutions (2022: RMB69,330,000).
- (v) Other borrowings are secured by certain equity interests in subsidiaries with an aggregated amount of RMB3,731,054,000 as at 31 December 2023 (2022: RMB 3,132,215,000).

The carrying amounts of other borrowings are repayable as follows:

	2023 RMB'000	2022 RMB'000
Within 1 year	895,844	734,782
Between 1 and 2 years	1,301,638	734,881
Between 2 and 5 years	1,018,930	3,519,321
Over 5 years	<u>9,536,287</u>	<u>6,067,232</u>
	<u>12,752,699</u>	<u>11,056,216</u>

36 Senior notes

The movements of senior notes issued by the Group during the year are as follows:

	2023 RMB'000	2022 RMB'000
Carrying amounts at 1 January	618,905	561,136
Repayment of senior notes	(618,453)	-
Interest charge (Note 13)	35,053	66,454
Interest paid	(35,322)	(62,723)
Exchange differences	(183)	54,038
Carrying amounts at 31 December	-	618,905
Less: Amounts due within one year shown under current liabilities	-	(618,905)
Amounts show under non-current liabilities	-	-

Note:

The senior notes (the "Notes") are with principal amount of US\$90,000,000 and maturity date on 24 September 2023 unless earlier redeemed in accordance with the terms thereof. The Notes bear fixed interest at 10.75% per annum payable semi-annually. The effective interest rate of the Notes is 11.76% per annum.

The Group redeem the Notes on 26 April 2023, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest.

37 Lease liabilities

At 31 December, the lease liabilities were repayable as follows:

	2023 RMB'000	2022 RMB'000
Within 1 year or on demand	21,821	13,502
Between 1 and 2 years	18,440	15,245
Between 2 and 5 years	33,142	36,628
Over 5 years	83,904	46,875
	157,307	112,250
Less: Amount due for settlement with 12 months shown under current liabilities	(21,821)	(13,502)
Amount due for settlement after 12 months shown under non-current liabilities	135,486	98,748

38 Income tax in the consolidated statement of financial position

(a) Tax payable in the consolidated statement of financial position represents:

	2023 RMB'000	2022 RMB'000
Net tax payable at 1 January	101,719	49,462
Provision for the year from continuing operations (Note 15)	197,407	173,760
Provision for the year from discontinued operation (Note 5)	15,174	5,395
Income tax paid	<u>(176,300)</u>	<u>(126,898)</u>
Net tax payable at 31 December	<u>138,000</u>	<u>101,719</u>

(b) Deferred taxation

Reconciliation to the consolidated statement of financial position is as follows:

	2023 RMB'000	2022 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	47,268	39,486
Net deferred tax liabilities recognised in the consolidated statement of financial position	<u>(57,722)</u>	<u>(93,522)</u>
	<u>(10,454)</u>	<u>(54,036)</u>

38 Income tax in the consolidated statement of financial position (continued)

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

	Accumulated deductible loss RMB'000	Unrealised inter-companies gains RMB'000	Lease liabilities RMB'000	Intra-group transactions	Right-of-use assets	Total RMB'000
At 1 January 2022	8,875	28,863	-	(38,089)	-	(351)
Credited/(Debited) to the profit or loss (Note 15)	-	6,748	-	(55,433)	-	(48,685)
Disposal of subsidiaries (Note 43(b))	-	(5,000)	-	-	-	(5,000)
At 31 December 2022 and 1 January 2023	8,875	30,611	-	(93,522)	-	(54,036)
Credited/(Debited) to the profit or loss (Note 15)	-	7,459	12,644	36,239	(12,760)	43,582
At 31 December 2023	8,875	38,070	12,644	(57,283)	(12,760)	(10,454)

At 31 December 2023, the Group had tax losses of RMB307,897,000(2022: RMB324,654,000) arose in Chinese Mainland that can be carried forward to set off against future taxable income which will expire within 1 to 5 years. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

38 Income tax in the consolidated statement of financial position (continued)

Such cumulative tax losses will be carried forward and expire in year as follows:

	2023 RMB'000	2022 RMB'000
2023	-	63,327
2024	54,703	73,524
2025	19,502	23,711
2026	44,223	46,768
2027	68,011	117,324
2028	121,458	-
Total unused tax losses	307,897	324,654

At 31 December 2023, the Group had estimated unused tax losses of RMB660,168,000(2022: RMB594,182,000), subject to the agreement of the Inland Revenue Department of Hong Kong, arose in Hong Kong available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

The deferred tax liabilities recognised relate to temporary differences arising from intra-group transactions including the unremitted earnings of joint ventures and associates and the intercompany interest payables from certain PRC subsidiaries to overseas subsidiaries.

As at 31 December 2023, deferred tax liabilities of RMB270,465,000 (2022: RMB217,870,000) have not been recognised for the withholding tax that would be payable on the undistributed retained earnings of subsidiaries of the Group, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

39 Deferred government grants

Government grants are received from the PRC government and the governments of the United States of America (the "US") by the Group in form of financial subsidies for the promotion of the development of renewable energy and investments in the PRC and the US. Government grants from the PRC governments are recognised as income over 20 years based on the expected useful lives of the relevant non-current assets including property, plant and equipment invested in certain areas in the PRC, while the government grants from the US government are recognised as deferred income over 5 years as the relevant properties continue to qualify as specified energy properties as defined by the US Department of the Treasury.

The movements in deferred government grant during the year are as follows:

	2023 RMB'000	2022 RMB'000
At 1 January	4,865	5,215
Credited to profit or loss during the year	(349)	(350)
At 31 December	<u>4,516</u>	<u>4,865</u>

40 Financial guarantee contract liabilities

	2023 RMB'000	2022 RMB'000
Current	4,823	7,535
Non-current	8,060	10,602
	<u>12,883</u>	<u>18,137</u>

In previous year, the Group disposed its 75% equity interests in certain wholly-owned subsidiaries to independent third parties, and retained the remaining 25% equity interests as interests in associates. Financial guarantees were provided by the Group to certain leasing companies for the associates' finance lease arrangements. In return, these associates shall pay premium to the Group at 2% of the outstanding debt balance under the finance lease arrangements.

During the year ended 31 December 2023, the Group disposed of partial shareholding interests in Concord Operation and Maintenance and the Group's interest in Concord Operation and Maintenance is accounted for as a joint venture after the disposal (see Note 22). Financial Guarantees were provided by the Group to the banks for the joint venture's indebtedness and performance guarantees were provided by the Group to a third-party power company for the joint venture's service agreement, under which, the power plants of the third-party power company operated and maintained by the joint venture shall achieve a specified annual power generation capacity, failing which the Group shall be liable to the third-party power company under the performance guarantee to pay to the third-party power company a penalty representing the shortfall in the power generation capacity multiplied by the agreed price of each unit of power generated. Furthermore, the joint venture has provided the counter-guarantee to the Group to compensate any loss of the Group under the financial guarantees and the performance guarantee as mentioned above, respectively. In return, the joint venture shall pay premium to the Group at 1.5% of the outstanding debt balance under the bank loan arrangements.

The Group has recognised its financial guarantee contract liabilities and corresponding premium receivables based on the fair value of the guarantees provided, equal to the present value of the premium to be received within the leases term.

As at 31 December 2023, the aggregated amount of guarantees was RMB448,485,000 (2022: RMB358,432,000), which represented the amounts (including principal and interests) that could be required to be paid if guarantees were called upon in entirety, of which RMB311,269,000 had been utilised by the associates as at 31 December 2023 (2022: RMB358,432,000).

41 Capital and reserves

(a) Share capital

Ordinary shares issued of HK\$0.01 each:

	No. of shares 000's shares	Nominal value RMB'000
As at 1 January 2022	8,985,329	77,499
Cancellation of ordinary shares (note (i))	(67,460)	(549)
Issue of ordinary shares	57,600	493
As at 31 December 2022	8,975,469	77,443
Cancellation of ordinary shares (note (i))	(530,750)	(4,845)
As at 31 December 2023	8,444,719	72,598

Notes

- (i) During the year ended 31 December 2023, the Group repurchased a total of 509,560,000 ordinary shares of the Company from the market for a total consideration of RMB301,001,000. 530,750,000 ordinary shares of the Company with total par value of RMB4,845,000 were cancelled, the related costs of repurchase were RMB314,731,000 and the exceed of costs of repurchase over the par value of the shares of RMB309,886,000 was charged to share premium.

During the year ended 31 December 2022, the Group repurchased a total of 405,880,000 ordinary shares of the Company from the market for a total consideration of RMB239,451,000. 67,460,000 ordinary shares of the Company with total par value of RMB549,000 were cancelled, the related costs of repurchase were RMB39,510,000 and the exceed of costs of repurchase over the par value of the shares of RMB38,961,000 was charged to share premium.

41 Capital and reserves (continued)

(b) Treasury shares

As at 31 December 2023, 420,750,000 ordinary shares are held as treasury shares (2022: 495,740,000 shares).

	No. of shares for the purpose of share award schemes 000's shares	No. of shares for the purpose of cancellation 000's shares	Total 000's shares
As at 1 January 2022	123,300	28,720	152,020
Repurchased during the year	21,750	384,130	405,880
Issue of ordinary shares	57,600	-	57,600
Cancellation of ordinary shares	-	(67,460)	(67,460)
Vested during the year (Note 42)	(52,300)	-	(52,300)
As at 31 December 2022	150,350	345,390	495,740
Repurchased during the year	-	509,560	509,560
Cancellation of ordinary shares	-	(530,750)	(530,750)
Vested during the year (Note 42)	(53,800)	-	(53,800)
As at 31 December 2023	96,550	324,200	420,750

Treasury shares for the purpose of share award schemes

During the year ended 31 December 2015, 151,500,000 ordinary shares were repurchased from market at a price of approximately HK\$0.55 per share for a total consideration of RMB66,572,000. And the treasury shares are held for the purpose of the Group's share award scheme (the "Scheme"), of which:

- (i) The directors of the Company approved an aggregate number of 61,700,000 shares under such scheme were granted to the relevant participants of the scheme and all of these shares have been vested to the relevant participants of the scheme up to 31 December 2018.
- (ii) On 4 April 2019, the board of directors of the Company approved to grant an aggregate number of 33,000,000 shares under such scheme to two directors. 8,250,000 shares were vested on 15 February 2020, 15 February 2021 and 15 February 2022 and 15 February 2023, respectively (see Note 42).
- (iii) On 22 April 2019, the board of directors of the Company approved a special share award scheme of 6,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 26 April 2019.
- (iv) On 29 April 2020, the board of directors of the Company approved a special share award scheme of 4,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 30 April 2020.
- (v) On 18 October 2021, the board of directors approved to grant an aggregate number of 14,000,000 shares under the Scheme to two directors. 3,500,000 shares were vested on 15 February 2022 and 3,500,000 shares were vested on 15 February 2023 (see Note 42).

41 Capital and reserves (continued)

- (vi) On 21 April 2022, the board of directors of the Company approved a special share award scheme of 3,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 10 May 2022.
- (vii) On 23 April 2023, the board of directors of the Company approved a special share award scheme of 5,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 23 April 2023 (see Note 42).

On 2 April 2019, the board of directors of the Company resolved to grant an aggregate number of 113,000,000 shares under the Scheme to the employees of the Company.

- (i) During the year ended 31 December 2019, 113,000,000 ordinary shares were issued for the purpose of the Group's share award scheme, of which: 28,250,000 shares were vested on 15 February 2020, 24,750,000 shares were vested on 15 February 2021, 23,150,000 shares were vested on 15 February 2022 and 22,650,000 shares were vested on 15 February 2023. (see Note 42).

On 15 October 2021, the board of directors of the Company resolved to grant an aggregate number of 59,100,000 shares under the Scheme to the employees of the Company.

- (i) During the year ended 31 December 2022, 57,600,000 ordinary shares were issued for the purpose of the Group's share award scheme. 14,400,000 shares were vested on 15 February 2022 and 14,400,000 shares were vested on 15 February 2023 (see Note 42).

(c) Contributed surplus

Contributed surplus represented the excess of the fair value of the shares of the former holding company acquired pursuant to the group reorganisation in prior years, over the nominal value of the Company's shares issued in exchange thereof.

(d) Other reserves

Other reserves mainly represent share-based payments reserves and included share-based compensations recognised of which the related share options have forfeited after the vesting date or were still not exercised at the expiry date.

(e) Retained earnings

Pursuant to the relevant laws in the PRC, each of the subsidiaries established in the PRC is required to allocate 10% of its profit after tax to the statutory reserves fund until such fund reaches 50% of the subsidiaries' registered capital. The statutory reserves fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiaries, provided that such fund is maintained at a minimum of 25% of the subsidiaries' registered capital. As at 31 December 2023, retained earnings of the Group comprised statutory reserves fund amounting to RMB2,230,522,000 (2022: RMB1,743,603,000).

42 Share award schemes

According to the share award scheme approved on 15 June 2015 by the board of directors of the Company, under which a part of shares of the Company will be awarded to the Group's employees as an incentive (the "Scheme").

- (a) On 4 April 2019, the board of directors approved to grant an aggregate number of 33,000,000 shares under the Scheme to two directors of the Company.

On 2 April 2019, the board of directors of the Company resolved to grant 113,000,000 new awarded shares to not less than 30 selected persons by way of allocate and issue of the new awarded shares pursuant to the specific mandate, out of which (a) 55,600,000 connected new awarded shares will be granted to 12 connected grantees by way of allocating and issue of new shares pursuant to the specific mandate and (b) 57,400,000 non-connected new awarded shares will be granted to not less than 18 non-connected grantees. The resolution was adopted by the special general meeting of shareholders on 20 June 2019.

The vesting dates of the above aggregate 146,000,000 award shares are as follows:

On 15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)	25%

The fair value of the 146,000,000 shares awarded on the grant date was valued at HK\$0.3236 to HK\$0.3510 each share.

- (b) On 18 October 2021, the board of directors approved to grant an aggregate number of 14,000,000 shares under the Scheme to two directors.

On 15 October 2021, the board of directors of the Company resolved to grant 59,100,000 new awarded shares to 37 selected persons by way of allocating and issue of the new awarded shares pursuant to the specific mandate, out of which (a) 31,900,000 connected new awarded shares will be granted to 15 connected grantees by way of allocating and issue of new shares pursuant to the specific mandate and (b) 27,200,000 non-connected new awarded shares will be granted to 22 non-connected grantees. The resolution was adopted by the special general meeting of shareholders on 15 December 2021.

42 Share award schemes (continued)

The vesting dates of the above aggregate 73,100,000 award shares are as follows:

On 15 February 2022 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2023 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2024 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2025 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)	25%

The fair value of the 73,100,000 shares awarded on the grant date was valued at HK\$0.6950 to HK\$0.7876 each share.

48,800,000 shares were vested on 15 February 2023 and 5,000,000 shares were vested on 23 April 2023. The relevant fair value of the vested shares of RMB22,985,000 was released from other reserves to eliminate the related cost of treasury shares of RMB7,686,000. The difference of RMB15,299,000 was credited to share premium.

Movements in the number of awarded shares during the year are as follows:

	<i>Number of shares</i>	
	<i>2023</i>	<i>2022</i>
As at 1 January	85,100,000	139,100,000
Granted during the year	5,000,000	3,000,000
Vested during the year	(53,800,000)	(52,300,000)
Forfeited during the year	(500,000)	(4,700,000)
As at 31 December	<u>35,800,000</u>	<u>85,100,000</u>

The Group recognised total expenses of RMB13,377,000 (2022: RMB 29,519,000) for the year ended 31 December 2023 in relation to the share award schemes.

43 Notes to the consolidated statement of cash flows

(a) Cash generated from operations

	Note	2023 RMB'000	2022 RMB'000
Profit before income tax		1,157,749	1,153,609
- Continuing operations		1,048,633	1,117,828
- Discontinued operation		109,116	35,781
Adjustments for:			
Finance costs		650,821	546,316
Interest revenue		(31,047)	(27,435)
Depreciation of property, plant and equipment		674,225	551,421
Depreciation of right-of-use assets		58,842	40,605
Amortisation of other intangible assets		97	97
Release of deferred government grants	39	(349)	(350)
Impairment loss on property, plant and equipment	18	-	39,139
Impairment loss recognised on trade receivable		1,828	-
Impairment loss recognised on other receivables	10	-	1,000
Impairment loss reversed on amounts due from joint ventures	10	-	(2,181)
Fair value changes in financial assets at FVTPL		(144)	(82,736)
Share-based compensations	42	13,377	29,519
Share of profit of associates, net		(16,639)	(20,004)
Share of profit of joint ventures, net		(172,836)	(151,115)
Gain on disposal/liquidation of subsidiaries, net		(482,026)	(255,589)
Gain on disposal an associates, net	9	(62)	-
Exchange gain, net	9	(6,346)	(26,482)
(Gain)/loss on disposal of property, plant and equipment		(2,558)	1,263

43 Notes to the consolidated statement of cash flows (continued)

	2023 RMB'000	2022 RMB'000
Operating profit before working capital changes:	1,844,932	1,797,077
Increase in inventories	(26,499)	(31,517)
(Increase)/decrease in trade and bills receivable	(399,409)	24,016
(Increase)/decrease in prepayments, deposits and other receivables	(359,053)	678,599
Decrease in contract assets	86,697	139,120
Decrease/(increase) in loan receivables	12,957	(2,015)
Increase in finance lease receivables	(122,517)	(88,995)
Decrease/(increase) in amounts due from associates	33,631	(1,077)
Increase in amounts due from joint ventures	(125,364)	(23,089)
Increase in trade and bills payable	478,897	184,446
Increase/(decrease) in other payables and accruals	306,192	(72,182)
Decrease in contract liabilities	(6,829)	(79,976)
Increase in amounts due to joint ventures	35,418	1
(Decrease)/increase in amounts due to associates	(2,119)	2,540
Cash generated from operations	<u>1,756,934</u>	<u>2,526,948</u>

43 Notes to the consolidated statement of cash flows (continued)

(b) Disposal/liquidation of subsidiaries

During the year ended 31 December 2023 and 2022, the Group disposed certain equity interests in its subsidiaries to independent third parties and an entity controlled by a connected person with the net gain on disposal/liquidation of subsidiaries as follows:

	2023 RMB'000	2022 RMB'000
Consideration and subsequent adjustment:		
Disposal of subsidiaries	470,590	708,036
Proceeds from liquidation of subsidiaries	-	10
	<u>470,590</u>	<u>708,046</u>
Less: Carrying amounts of net assets of subsidiaries disposed of:		
Right-of-use assets	61,477	66,824
Property, plant and equipment	1,251,556	1,311,321
Interests in associates	6,900	-
Inventories	39,400	-
Trade and bills receivable	351,738	325,710
Contract assets	3,856	-
Prepayments deposits and other receivables	272,041	66,975
Deferred tax assets	-	5,000
Amounts due from associates	1,433	-
Amounts due from joint ventures	8,224	-
Cash and cash equivalents	161,116	129,604
Other borrowings	(1,262,178)	(908,071)
Bank borrowings	(153,531)	-
Trade payables	(69,179)	(414)
Amounts due to associates	(351)	-
Amounts due to fellow subsidiaries	-	(453,325)
Other payables and accruals	(254,658)	(24,610)
Lease liabilities	(10,036)	-
Non-controlling interests	(35,503)	-
	<u>372,305</u>	<u>519,014</u>
Realised profits on transactions between the Group and these subsidiaries	92,470	7,390
Adjustment in relation to disposal of subsidiaries (Note 22)	363,364	88,301
Goodwill released upon disposal (Note 20)	(72,093)	(29,134)
	<u>482,026</u>	<u>255,589</u>
Gain on disposal/liquidation of subsidiaries, net		

43 Notes to the consolidated statement of cash flows (continued)

Net cash inflow arising on the disposal and liquidation:

	2023 RMB'000	2022 RMB'000
Consideration received	406,516	814,470
Proceeds received upon liquidation of subsidiaries	-	10
Cash and cash equivalents derecognised from the consolidated financial statements	(161,116)	(129,604)
	245,400	684,876
Net cash inflow for consideration of prior year's disposals during the current year	53,247	26,656
	298,647	711,532

(c) Disposal of property, plant and equipment

An analysis of the cash proceeds from the disposal of property, plant and equipment is as follows:

	2023 RMB'000	2022 RMB'000
Net carrying amount	12,134	2,460
Gain/ (loss) on disposal of property, plant and equipment	2,558	(1,263)
Consideration for the disposal	14,692	1,197
Consideration not yet received and recorded in other receivables	-	-
Net cash proceeds received	14,692	1,197

44 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings (Note 34) RMB'000	Other borrowings (Note 35) RMB'000	Senior notes (Note 36) RMB'000	Lease liabilities (Note 37) RMB'000	Total RMB'000
At 1 January 2023	2,264,927	11,056,216	618,905	112,250	14,052,298
Changes from financing cash flows:					
Proceeds from bank borrowings	3,115,298	-	-	-	3,115,298
Repayment from bank borrowings	(1,455,713)	-	-	-	(1,455,713)
Proceeds from other borrowings	-	4,783,606	-	-	4,783,606
Repayment of other borrowings	-	(2,402,934)	-	-	(2,402,934)
Repayment of lease liabilities	-	-	-	(17,423)	(17,423)
Repayment of senior notes	-	-	(618,453)	-	(618,453)
Interest paid	(121,145)	(563,602)	(35,322)	(13,375)	(733,444)
Addition of lease liabilities	-	-	-	73,735	73,735
Exchange differences	11,069	-	(183)	1,031	11,917
Disposal/liquidation of subsidiaries	(153,531)	(1,262,178)	-	(10,036)	(1,425,745)
Bills received	-	579,800	-	-	579,800
Interest expenses (Note 13)	121,407	561,791	35,053	11,125	729,376
At 31 December 2023	3,782,312	12,752,699	-	157,307	16,692,318

44 Reconciliation of liabilities arising from financing activities (continued)

	Bank borrowings (Note 34) RMB'000	Other borrowings (Note 35) RMB'000	Senior notes (Note 36) RMB'000	Lease liabilities (Note 37) RMB'000	Payable on redemption of convertible loan RMB'000	Total RMB'000
At 1 January 2022	1,291,602	9,647,905	561,136	88,477	112,150	11,701,270
Changes from financing cash flows:						
Proceeds from bank borrowings	1,190,251	-	-	-	-	1,190,251
Repayment from bank borrowings	(253,837)	-	-	-	-	(253,837)
Proceeds from other borrowings	-	3,084,481	-	-	-	3,084,481
Repayment of other borrowings	-	(1,531,438)	-	-	-	(1,531,438)
Repayment of lease liabilities	-	-	-	(12,037)	-	(12,037)
Repayment of other interest-bearing payables	-	-	-	-	(112,150)	(112,150)
Interest paid	(70,050)	(497,758)	(62,723)	(6,470)	-	(637,001)
Addition of lease liabilities	-	-	-	31,227	-	31,227
Exchange differences	37,010	-	54,038	5,830	-	96,878
Disposal/liquidation of subsidiaries	-	(908,071)	-	-	-	(908,071)
Bills received	-	727,696	-	-	-	727,696
Interest expenses (Note 13)	69,951	533,401	66,454	5,223	-	675,029
At 31 December 2022	2,264,927	11,056,216	618,905	112,250	-	14,052,298

45 Major non-cash transactions

- (a) During the year ended 31 December 2023, the Group entered into financing arrangements with the Financial Institutions in respect of property, plant and equipment and drew down an aggregate amount of RMB5,363,406,000 (2022: RMB3,812,177,000) from the Financial Institutions, of which RMB579,800,000 (2022: RMB727,696,000) was received in the form of bills. Further details of the financing arrangements are set out in Note 35.
- (b) During the year, the Group settled certain payables in the form of bills amounted to RMB1,279,504,000 (2022: RMB1,364,932,000).

46 Commitments

Capital expenditure:

	2023 RMB'000	2022 RMB'000
Contracted for but not provided in these consolidated financial statements:		
Property, plant and equipment	<u>2,889,393</u>	<u>2,380,563</u>

Investment commitments:

According to relevant agreements, the Group has the following investment commitments:

	2023 RMB'000	2022 RMB'000
Investment commitments in:		
Joint ventures and associates	<u>-</u>	<u>44,500</u>

47 Related party transactions

- (a) ***Save as disclosed elsewhere in these consolidated financial statements, the following material transactions were carried out by the Group with related parties during the year:***

	2023 RMB'000	2022 RMB'000
Provision of services and sales of goods to associates and joint ventures (note (i))	34,802	42,386
Guarantee income and interest income from associates and a joint venture (note (ii))	8,625	7,108
Finance lease income of associates and a joint venture (note (iii))	3,180	2,562
Services received from a joint venture	<u>34,462</u>	<u>-</u>

Notes:

- (i) The terms and conditions of sales of goods and provision of services were mutually agreed by both parties.
- (ii) Further details of these guarantees are set out in Note 40.
- (iii) Finance lease income arose from associates and a joint venture with interest rate ranging from 5.0% to 8.5% per annum during the year.

(b) ***Key management compensation***

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The total remuneration of the key management personnel is shown below:

	2023 RMB'000	2022 RMB'000
Salaries and other short-term employee benefits	45,741	36,821
Share-based compensation	<u>6,869</u>	<u>15,719</u>
	<u>52,610</u>	<u>52,540</u>

(c) ***Applicability of the Listing Rules relating to connected transactions***

Certain of the related party transactions included in note 47(a) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. These transactions are disclosed in the Report of the Board as required by Chapter 14A of the Listing Rules.

48 Categories of financial instruments

The carrying amounts of each of the categories of financial instruments at the end of each reporting period are as follows:

	2023 RMB'000	2022 RMB'000
Financial assets		
Fair value through profit or loss	228,630	254,181
Amortised cost	<u>6,212,949</u>	<u>6,275,277</u>
Financial liabilities		
Amortised cost	22,342,386	18,685,306
Financial guarantee contract liabilities (Note 40)	<u>12,883</u>	<u>18,137</u>

49 Financial risk management objectives and policies

The Group's activities exposed it to a variety of financial risks. The management periodically analyses and reviews measures to manage its exposure to market risk (including foreign exchange risk, interest rate risk and other price risk), liquidity risk and credit risk. Generally, the Group applies a conservative strategy regarding its risk management and has not used any derivatives or other instruments for hedging purposes.

As at 31 December 2023, the Group's major financial instruments include trade and bills receivable, deposits and other receivables, financial assets at FVTPL, loans receivables, financial lease receivables, and account balances with associates and joint ventures, cash and cash equivalents, restricted deposits, trade and bills payable, lease liabilities, payables for construction in progress, other payables and accruals, bank borrowings, and other borrowings. Details of these financial instruments are disclosed in respective notes.

49 Financial risk management objectives and policies (continued)

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises from monetary assets and liabilities denominated in foreign currencies.

The Group operates mainly in the PRC, the United States of America and Hong Kong. Majority of revenue and cost of goods sold and operations are denominated in Renminbi ("RMB"). Almost all of the revenue and costs are denominated in the group entities' respective functional currencies.

The Group is exposed to foreign currency risk primarily with respect to the changes of exchange rate of United States dollars ("US\$") and Hong Kong dollars ("HK\$"), which is pegged with US\$, against RMB, which is the functional currency of most of the Group's operating subsidiaries. As at 31 December 2023, recognised assets that are denominated in a currency that is not the entities' functional currency include cash and cash equivalents (see Note 30).

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in RMB to US\$/HK\$ exchange rates ("RMB - US\$/HK\$"), with all other variables held constant, of the Group's profit after tax due to changes in the carrying value of monetary assets and liabilities.

	2023 Increase/ (decrease) in profit after tax RMB'000	2022 Increase/ (decrease) in profit after tax RMB'000
RMB - US\$/HK\$		
Appreciation of RMB by 5%	(15,545)	11,491
Depreciation of RMB by 5%	<u>15,545</u>	<u>(11,491)</u>

(ii) Cashflow and fair value interest rate risk

Cashflow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate as it is issued at fixed interest rates.

The Group's cashflow interest rate risk arises from bank balances, loans to joint ventures, bank borrowings and other borrowings. Borrowings issued at variable rates expose the Group to cashflow interest rate risk which is partially offset by bank balances held at variable rates.

49 Financial risk management objectives and policies (continued)

The Group's exposure to the risk of changes in market interest rates relates primarily due to the Group's bank balances, interest-bearing bank borrowings and interest-bearing other borrowings with a floating interest rate. The effective interest rates and terms of repayment of the interest-bearing bank borrowings and other borrowings of the Group are disclosed in Note 34 and Note 35, respectively. No sensitivity analysis has been presented for the exposure to interest rates for bank balances as the directors of the Company consider that, taking into account that the fluctuation in interest rates on bank balances is minimal, the impact of profit or loss both for the current and prior years is insignificant.

The following analysis demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rates for floating rate bank borrowings, with all other variables held constant.

If interest rates had been 50 basis points (2022: 50 basis points) higher/lower and all other variables were held constant, the Group's profit after tax for the year ended 31 December 2023 would have decreased/increased by RMB71,030,000(2022: RMB61,477,000).

The above sensitivity analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

As at 31 December 2023, the Group is exposed to fair value interest rate risk in relation to financial assets at FVTPL. No sensitivity analysis has been presented as the directors of the Company consider that the impact to profit or loss for both the current and prior years is insignificant.

(iii) Other price risk

The Group is exposed to other price risk because the fair value of certain financial assets at fair value through profit or loss are measured by reference to quoted prices. Details of the financial assets at fair value through profit or loss are set out in Note 23.

The Group currently does not have a policy to hedge the other price risk. However, the management closely monitors such risk by maintaining a portfolio of investments with different risks.

(b) Liquidity risk

The Group monitors and maintains a level of cash reserves and banking facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows and match maturity profiles of financial assets and liabilities. In addition to the currently available facilities, the management of the Group expects that further banking facilities will be available by pledging those newly completed power plant equipment.

49 Financial risk management objectives and policies (continued)

The table below analyses the financial liabilities of the Group into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities based on earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

As at 31 December 2023

	Weighted average effective interest rate	On demand or less than 6 months RMB'000	6 to 12 months RMB'000	1 to 2 years RMB'000	Over 2 years RMB'000	Total undiscounted cashflows RMB'000	Total carrying amount RMB'000
Trade and bills payable	N/A	1,346,955	325,333	-	-	1,672,288	1,672,288
Payables for construction in progress, other payables and accruals	N/A	2,347,445	736,971	402,766	647,905	4,135,087	4,135,087
Amounts due to joint ventures	N/A	35,574	-	-	-	35,574	35,574
Amounts due to associates	N/A	70	-	-	-	70	70
Bank borrowings	2.20%-5.62%	632,529	431,229	406,932	3,035,085	4,505,775	3,782,312
Other borrowings	3.90%-5.66%	705,294	457,782	1,853,979	15,372,676	18,389,731	12,752,699
Lease liabilities	3.45%-5.35%	11,102	11,103	23,636	173,491	219,332	157,307
		5,078,969	1,962,418	2,687,313	19,229,157	28,957,857	22,535,337
Financial guarantee issued	N/A						
Maximum amount guaranteed (Note 40)		448,485	-	-	-	448,485	12,883

49 Financial risk management objectives and policies (continued)

As at 31 December 2022

	Weighted average effective interest rate	On demand or less than 6 months RMB'000	6 to 12 months RMB'000	1 to 2 years RMB'000	Over 2 years RMB'000	Total undiscounted cashflows RMB'000	Total carrying amount RMB'000
Trade and bills payable	N/A	1,125,074	137,496	-	-	1,262,570	1,262,570
Payables for construction in progress, other payables and accruals	N/A	2,165,727	570,789	457,214	288,762	3,482,492	3,482,492
Amounts due to joint ventures	N/A	156	-	-	-	156	156
Amounts due to associates	N/A	2,540	-	-	-	2,540	2,540
Senior notes	11.80%	34,440	642,911	-	-	677,351	618,905
Bank borrowings	1.60% - 5.20%	591,154	497,618	141,794	1,406,525	2,637,091	2,264,927
Other borrowings	4.00% - 5.90%	613,443	619,253	1,259,848	12,100,842	14,593,386	11,056,216
Lease liabilities	4.00% - 5.55%	9,532	9,532	19,202	118,235	156,501	112,250
		<u>4,542,066</u>	<u>2,477,599</u>	<u>1,878,058</u>	<u>13,914,364</u>	<u>22,812,087</u>	<u>18,800,056</u>
Financial guarantee issued	N/A	<u>358,432</u>	-	-	-	<u>358,432</u>	<u>18,137</u>
Maximum amount guaranteed (Note 40)							

49 Financial risk management objectives and policies (continued)

The amounts included above of variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimate of interest rates determined at the end of the reporting period.

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee.

(c) Credit risk and impairment assessment

As at 31 December 2023, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties or debtors provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position, and the amount of financial guarantees provided by the Group as disclosed in Note 40.

As at 31 December 2023, the Group generally does not hold collateral or other credit enhancements to cover its credit risks associated with its financial assets, except for financial lease receivables and loan receivables whose credit loss can be mitigate by the underlying leased assets.

The Group's credit risk primarily attributable to its trade and other receivables, contract assets and amounts due from associates and joint ventures which is arose during the normal course of the Group's business operations. The Group has set policies in place to review the recoverability of these receivables on an ongoing basis and assess the adequacy of provision for impairment.

For trade receivables, the management of the Group limit credit risk by assessing the credit quality of the customers, perform ongoing credit evaluation taking into account its financial position, past trade experience and other factors. The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 180 days. Each customer has a maximum credit limit. The Group has concentration of credit risk because trade receivables from its top five customers accounted for 42% (2022: 40%) of the Group's trade receivables as at 31 December 2023.

For the amounts due from associates and joint ventures, financial positions of the associates and joint ventures are regularly monitored in order to minimize the credit risk associated with receivables due from associates and joint ventures.

The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by management. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances based on provision matrix or individually and other debtors individually. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

49 Financial risk management objectives and policies (continued)

The credit risks of the Group's bank balances are limited because these balances are placed with reputable financial institutions.

The credit risks on financial guarantee provided by the Group and finance lease receivables are limited as the counterparties have no default in the past and the management of the Group does not expect any loss arising from non-performance by these counterparties.

The Group's internal credit risk grading assessment comprises the following categories:

<i>Internal credit rating</i>	<i>Description</i>	<i>Trade receivables, contract assets and finance lease receivables</i>	<i>Other financial assets</i>
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit - impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit - impaired	Lifetime ECL - not credit- impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit - impaired	Lifetime ECL - credit- impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

49 Financial risk management objectives and policies (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000
Financial assets at amortised costs			
Trade receivables (Note 25)			
- Sale of electricity	Low risk (note (b))	Lifetime ECL	991,170
- Others	Low risk (note (b))	Lifetime ECL	416,214
	Loss	Credit-impaired	3,578
			1,410,962
Other receivables (Note 26)	Low risk (note (a))	12-month ECL	584,151
	Loss	Credit-impaired	3,000
			587,151
Amounts due from associates (Note 21)			
- trade nature	Low risk (note (b))	Lifetime ECL (not credit-impaired)	878
- non-trade nature	Low risk (note (a))	12-month ECL	23,765
	Low risk	Lifetime ECL (not credit-impaired)	26,128
			50,771
Amounts due from joint ventures (Note 22)			
- trade nature	Low risk (note (b))	Lifetime ECL (not credit-impaired)	18,946
- non-trade nature	Low risk (note (a))	12-month ECL	286,003
			304,949
Loan receivables (Note 28)	Low risk (note (a))	12-month ECL	48,630
Cash and cash equivalents (Note 30)	Low risk	12-month ECL	2,445,465
Restricted deposits (Note 30)	Low risk	12-month ECL	1,457,459
Other items:			
Contract assets (Note 24)	Low risk (note (b))	Lifetime ECL (not credit-impaired)	116,175
Finance lease receivables (Note 27)	Low risk (note (b))	Lifetime ECL (not credit-impaired)	320,109
Premium receivable for financial guarantee contracts (Note 40)	Low risk (note (b))	12-month ECL	12,883

49 Financial risk management objectives and policies (continued)

Notes:

- (a) For the purposes of internal risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	<i>Past due</i> RMB'000	<i>Not past due/ no fixed repayment terms</i> RMB'000	<i>Total</i> RMB'000
2023			
Amounts due from associates	-	23,765	23,765
Amounts due from joint ventures	-	286,003	286,003
Other receivables	-	584,151	584,151
Loan receivables	-	48,630	48,630
2022			
Amounts due from associates	-	48,073	48,073
Amounts due from joint ventures	-	85,670	85,670
Other receivables	48,197	571,411	619,608
Loan receivables	-	61,587	61,587

- (b) For trade receivables (including trade-related amounts due from joint ventures and associates), finance lease receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items on an individual balance basis, except for trade receivables in relation to its sales of electricity which are based on provision matrix.

The trade receivables arising from sales of electricity are mainly due from the local state grid companies in various provinces in the PRC. The management considered the probability of default of trade receivables is remote since the local grid companies are state-owned and taking into account the past payment histories of the debtors, adjusted for general economic conditions of the new energy industry and an assessment of both current as well as forecast direction of market conditions at the reporting date. Accordingly, the management is of the opinion that the credit risk of trade receivables arising from sales of electricity is limited.

49 Financial risk management objectives and policies (continued)

- (c) The Group writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

The following table shows the movement in ECL that has been recognised for trade receivables under the simplified approach:

	2023 RMB'000	2022 RMB'000
At 1 January	3,092	4,498
Impairment provided for the year from continuing operations, net (Note 10)	1,130	-
Impairment provided for the year from discontinued operation, net	698	-
Disposal of subsidiaries	(698)	-
Written-off during the year	(160)	(1,406)
At 31 December	4,062	3,092

For financial guarantee contracts, the gross carrying amount represents the maximum amount that Group has guaranteed under the relevant contract. The maximum amount that the Group has guaranteed under the relevant contract was RMB498,869,000 as at 31 December 2023 (2022: RMB338,643,000). At the end of the reporting period, the directors of the Company have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Details of the financial guarantee contracts are set out in Note 40.

50 Fair value measurements of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Group uses market-observable data of the extent it is available. Where Level 1 inputs are not available, the Group determines the appropriate valuation techniques and inputs for fair value measurements and works closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023				
Financial assets at FVTPL				
Unlisted equity securities	-	-	69,659	69,659
Listed equity securities, at fair value	99,538	-	-	99,538
Contingent consideration in disposal of subsidiaries	-	-	50,433	50,433
Bills receivable, at FVTPL	-	9,000	-	9,000
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2022				
Financial assets at FVTPL				
Unlisted equity securities	-	-	66,782	66,782
Listed equity securities, at fair value	85,565	-	-	85,565
RMB wealth management products	-	-	210	210
Contingent consideration in disposal of subsidiaries	-	-	93,060	93,060
Bills receivable, at FVTPL	-	8,564	-	8,564

There were no transfers between level 1 and 2 during the years ended 31 December 2023 and 2022, and there were no transfers into or out of Level 3 during both years.

50 Fair value measurements of financial instruments (continued)

Information of level 2 and level 3 fair value measurement are as follow:

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2023 (RMB'000)	2022 (RMB'000)			
Unlisted equity securities	69,659	66,782	Level 3	Income approach—in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investees, based on an appropriate discount rate. Comparable market value - in this approach, the fair value of unlisted equity instruments is determined at the price of the most recent financing.	Long-term pre-tax operating margin, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 44% to 48% (2022: 65% to 67%). Discount rate of 12% (2022: 12%) determined using a Capital Asset Pricing Model (note (a)).
RMB wealth management products	-	210	Level 3	Discounted cash flow method was used to capture the present value of the contracted cash flows discounted at a rate that reflects the market credit risk.	Basic performance comparison benchmark
Contingent consideration in disposal of subsidiaries	50,433	93,060	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow into the Group arising from the contingent consideration, based on an appropriate discount rate.	Probability to meet the conditions set out in the share purchase agreements, including whether and when the disposed power plants could be registered in the List (note (b)).
Bills receivable, at FVTPL	9,000	8,564	Level 2	Discounted cash flow method was used to capture the present value of the contracted cash flows discounted at a rate that reflects the market credit risk.	N/A

Notes:

- (a) An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the unlisted equity securities, and vice versa. A 5% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the unlisted equity securities by RMB1,078,000 and RMB1,138,000 respectively (2022: RMB1,228,000 and RMB1,297,000 respectively).

50 Fair value measurements of financial instruments (continued)

- (b) A decrease in probability for satisfying the conditions stipulated in the equity transfer agreement, such as obtaining a construction project permit and land ownership certificate would result in a decrease in the fair value measurement of the contingent consideration, and vice versa.

Reconciliation of Level 3 fair value measurement

	Contingent consideration in disposal of subsidiaries RMB'000	Unlisted equity securities RMB'000	RMB wealth management products RMB'000
Balance as at 1 January 2022	111,914	76,631	10,000
Addition	28,148	-	5,851,562
Settlement	(47,002)	-	(5,911,440)
Fair value changes	-	1,857	50,088
Disposal of unlisted equity securities	-	(16,193)	-
Exchange differences	-	4,487	-
Balance as at 31 December 2022	93,060	66,782	210
Addition	-	-	3,080,021
Settlement	(42,627)	-	(3,097,908)
Fair value changes	-	1,977	17,677
Exchange differences	-	900	-
Balance as at 31 December 2023	50,433	69,659	-

Fair value of financial instruments that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated statement of financial position, together with the interest accruals, approximate their respective fair values at the end of the reporting period.

51 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors capital on the basis of the liability-to-asset ratio and the gearing ratio. The gearing ratio is calculated as total borrowings divided by total capital. Total borrowings represented bank borrowings plus other borrowings, senior notes, and lease liabilities. Total capital is calculated as total equity plus total borrowings.

The Group's total borrowings and total capital positions as at 31 December 2023 and 2022 are as follows:

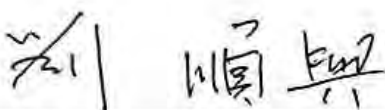
	2023 RMB'000	2022 RMB'000
Total borrowings	16,692,318	14,052,298
Total equity	8,435,414	8,094,892
Total capital	<u>25,127,732</u>	<u>22,147,190</u>
Gearing ratio	66.43%	63.45%
Liability-to-asset ratio	72.99%	70.21%

52 Statement of financial position of the Company

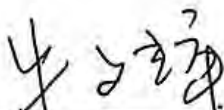
	2023 RMB'000	2022 RMB'000
Assets:		
Non-current assets		
Interests in subsidiaries	1,270,642	1,365,681
Deposits	547	547
	<u>1,271,189</u>	<u>1,366,228</u>
Current assets		
Amounts due from subsidiaries	1,092,175	1,561,318
Amounts due from joint ventures	2	429
Deposits	53,939	52,285
Cash and cash equivalents	124,795	103,776
Financial assets at fair value through profit or loss	99,538	85,565
	<u>1,370,449</u>	<u>1,803,373</u>
Total assets	<u>2,641,638</u>	<u>3,169,601</u>
Liabilities:		
Non-current liabilities		
Financial guarantee contract liabilities	-	66,963
	<u>-</u>	<u>66,963</u>
Current liabilities		
Senior notes	-	618,905
Bank borrowings	177,068	352,769
Other payables and accruals	18,405	15,123
Amounts due to subsidiaries	316,853	252,944
	<u>512,326</u>	<u>1,239,741</u>
Total liabilities	<u>512,326</u>	<u>1,306,704</u>
Net current assets	<u>858,123</u>	<u>563,632</u>
Net assets	<u>2,129,312</u>	<u>1,862,897</u>
Equity		
Share capital (Note 41)	72,598	77,443
Reserves (note)	2,056,714	1,785,454
Total equity	<u>2,129,312</u>	<u>1,862,897</u>

52 Statement of financial position of the Company (continued)

Approved and authorised for issue by the board of directors on 6 March 2024.



Liu Shunxing
Chairman and Executive Director



Niu Wenhui
Executive Director

Note:

Movements in components of reserves of the Company

	Share premium	Treasury Shares	Contributed surplus (Note 41(c))	Other reserves	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2022	731,627	(18,944)	2,359,063	102,940	(2,413,389)	761,297
Loss and total comprehensive income the year	-	-	-	-	1,458,024	1,458,024
Share-based compensation	-	-	-	29,519	-	29,519
Vesting of shares under share award scheme	15,772	331	-	(22,584)	-	(6,481)
2021 final dividend	-	-	-	-	(230,272)	(230,272)
Ordinary share issued as treasury shares	-	(493)	-	-	-	(493)
Cancellation of treasury shares	(38,961)	39,510	-	-	-	549
Repurchase of ordinary shares (Note 41)	-	(226,689)	-	-	-	(226,689)
Balance at 31 December 2022	708,438	(206,285)	2,359,063	109,875	(1,185,637)	1,785,454
Loss and total comprehensive income the year	-	-	-	-	839,885	839,885
Share-based compensation	-	-	-	13,377	-	13,377
Vesting of shares under share award scheme	15,299	327	-	(22,985)	-	(7,359)
2022 final dividend	-	-	-	-	(270,487)	(270,487)
Cancellation of treasury shares	(309,886)	314,731	-	-	-	4,845
Repurchase of ordinary shares (Note 41)	-	(301,001)	-	-	-	(301,001)
Balance at 31 December 2023	413,851	(192,228)	2,359,063	100,267	(624,239)	2,056,714

53 Subsidiaries

As at 31 December 2023, particulars of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and kind of legal entity	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Century Concord Wind Power Investment Co., Ltd.	The PRC, limited company	Registered capital of RMB3,100,000,000	100%	100%	Investment holding
Haotai New Energy Equipment Ltd.	The PRC, limited company	Registered capital of RMB500,000,000	100%	100%	Sales of solar power equipment and new energy equipment
Concord Power Consulting & Design (Beijing) Corp., Ltd.	The PRC, limited company	Registered capital of RMB50,000,000	70%	70%	Power system design, research and exploitation
Yanyuan Century Concord Solar Power Co., Ltd.	The PRC, limited company	Registered capital of RMB56,000,000	100%	100%	Solar power plant investment and operation
Naidong Century Concord Solar Power Co., Ltd.	The PRC, limited company	Registered capital of RMB146,150,000	100%	100%	Solar power plant investment and operation
Eryuan Century Concord Solar Power Co., Ltd.	The PRC, limited company	Registered capital of RMB48,000,000	100%	100%	Solar power plant investment and operation
Jilin Century Concord Wind Power Investment Co., Ltd.	The PRC, limited company	Registered capital of RMB195,820,000	100%	100%	Wind power plant investment and operation
Jingmen Lixi Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB37,800,000	100%	100%	Wind power plant investment and operation
Yongzhou Jiepai Century Concord Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB1,901,834,000	100%	100%	Wind power plant investment and operation
Xiangyang Xiangzhou Century Concord Yushan Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB91,000,000	100%	100%	Wind power plant investment and operation
Wuhe Century Concord Yinmahu Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB110,630,000	100%	100%	Wind power plant investment and operation
Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB133,920,000	100%	100%	Wind power plant investment and operation
Suzhou Deren Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB70,000,000	100%	100%	Wind power plant investment and operation
Jingmen Shengjingshan Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB97,100,000	100%	100%	Wind power plant investment and operation
Yongzhou Hongtang Century Concord Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB80,000,000	100%	100%	Wind power plant investment and operation
Tianjin Green Energy International Leasing Co., Ltd.	The PRC, sino-foreign equity joint venture	Registered capital of RMB600,000,000	100%	100%	Equipment Lease operation
Wuhe Juhe Wind Power Co., Ltd.	The PRC, limited company	Registered capital of RMB78,000,000	100%	100%	Wind power plant investment and operation

53 Subsidiaries (continued)

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

The table above lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. As at 31 December 2023, there was no non-wholly owned subsidiaries of the Group that have material non-controlling interests.

Concord New Energy Group Limited
(Incorporated in Bermuda with limited liability)

Consolidated Financial Statements
For the year ended 31 December 2024



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

Opinion

We have audited the consolidated financial statements of Concord New Energy Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 7 to 130, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

Basis for opinion

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

Key audit matter

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



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

Key audit matter (continued)

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



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

Key audit matter (continued)

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



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

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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



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

Auditor's responsibilities for the audit of the consolidated financial statements

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Independent auditor's report to the shareholders of Concord New Energy Group Limited (continued)

(incorporated in Bermuda with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

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

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

Certified Public Accountants

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

27 February 2025

Consolidated statement of profit or loss for the year ended 31 December 2024 (Expressed in Renminbi ("RMB"))

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

Consolidated statement of profit or loss for the year ended 31 December 2024 (continued) (Expressed in RMB)

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

The notes on pages 7 to 130 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 17.

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024

(Expressed in RMB)

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

The notes on pages 7 to 130 form part of these financial statements.

Consolidated statement of financial position at 31 December 2024 (Expressed in RMB)

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

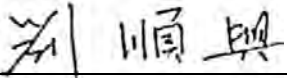
Consolidated statement of financial position at 31 December 2024 (continued) (Expressed in RMB)

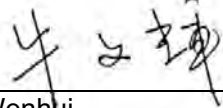
	Note	2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	35	4,809,590	2,809,059
Other borrowings	36	9,296,012	11,856,855
Lease liabilities	37	418,543	135,486
Deferred tax liabilities	38(b)	20,052	57,722
Deferred government grants	39	4,261	4,516
Payables for construction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

**Consolidated statement of financial position
at 31 December 2024 (continued)**
(Expressed in RMB)

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

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


Liu Shunxing
Chairman and Executive Director


Niu Wenhui
Executive Director

The notes on pages 7 to 130 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2024 (Expressed in RMB)

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

Consolidated statement of changes in equity for the year ended 31 December 2024 (continued) (Expressed in RMB)

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

The notes on pages 7 to 130 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2024 (Expressed in RMB)

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

Consolidated statement of cash flows for the year ended 31 December 2024 (continued) (Expressed in RMB)

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

The notes on pages 7 to 130 form part of these financial statements.

Notes to the consolidated financial statements

(Expressed in RMB unless otherwise indicated)

1 General information

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

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

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

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

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

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

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

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

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

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

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

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

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

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

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

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

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

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

2 Application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (continued)

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

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

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to HKFRS Accounting Standards– Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to HKFRS 10, <i>Consolidated financial statements</i> and HKAS 28, <i>Investments in associates and joint ventures : Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

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

3 Material accounting policies

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

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

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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

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

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

3 Material accounting policies (continued)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

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

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

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

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

3 Material accounting policies (continued)

Changes in the Group's interests in existing subsidiaries

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

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

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

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

Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits*, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

3 Material accounting policies (continued)

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which the lease term ends within 12 months of the acquisition date; or the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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

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

Goodwill

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

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

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

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

3 Material accounting policies (continued)

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

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

Investments in associates and joint ventures

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

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

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

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

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

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

3 Material accounting policies (continued)

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

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

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

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

Revenue from contracts with customers

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

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

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

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

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

3 Material accounting policies (continued)

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

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

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

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

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

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

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

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

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

Variable consideration

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

3 Material accounting policies (continued)

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

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

Existence of significant financing component

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

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

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

Principal versus agent

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

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

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

3 Material accounting policies (continued)

Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components of a contract

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

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

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

3 Material accounting policies (continued)

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

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

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

Refundable rental deposits

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

Lease liabilities

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

The lease payments include:

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

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

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

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

3 Material accounting policies (continued)

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

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

Lease modifications

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

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

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

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

The Group as a lessor

Classification and measurement of leases

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

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

3 Material accounting policies (continued)

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

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

Allocation of consideration to components of a contract

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

Refundable rental deposits

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

Lease modification

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

Sale and leaseback transactions

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

The Group as a seller-lessee

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

The Group as a buyer-lessor

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

Foreign currencies

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

3 Material accounting policies (continued)

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

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

Borrowing costs

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

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

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

Government grants

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

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

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

Retirement benefit costs

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

3 Material accounting policies (continued)

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

Short-term employee benefits

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

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

Share-based payment arrangements

Equity-settled share-based payment transactions

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

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

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

Taxation

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

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

3 Material accounting policies (continued)

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

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

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

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

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

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

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

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

3 Material accounting policies (continued)

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

Property, plant and equipment

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

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

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

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

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

Buildings under development for future owner-occupied purpose

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

3 Material accounting policies (continued)

Intangible assets

Intangible assets acquired separately

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

Intangible assets acquired in a business combination

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

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

Impairment losses on tangible and intangible assets other than goodwill

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

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

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

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

3 Material accounting policies (continued)

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

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

Inventories

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

Provisions and contingent liabilities

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

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

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

3 Material accounting policies (continued)

Onerous contracts

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

Financial instruments

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

3 Material accounting policies (continued)

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

A financial asset is classified as held for trading if:

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

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

(i) Amortised cost and interest revenue

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

(ii) Financial assets at FVTPL

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

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

3 Material accounting policies (continued)

Impairment of financial assets, contract assets and lease receivables

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

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

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

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

(i) Significant increase in credit risk

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

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

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

3 Material accounting policies (continued)

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

(ii) Definition of default

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

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

3 Material accounting policies (continued)

(v) Measurement and recognition of ECL

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

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

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

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

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

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

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

Derecognition of financial assets

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

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

3 Material accounting policies (continued)

Financial liabilities and equity instruments

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

Equity instruments

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

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

Financial liabilities

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

Financial liabilities at amortised cost

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

Financial guarantee contracts

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

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

Convertible loan contain debt and derivative components

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

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

3 Material accounting policies (continued)

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

Derecognition of financial liabilities

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

Non-current assets held for sale and discontinued operations

Non-current assets held for sale

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

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

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

Discontinued operations

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

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

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

3 Material accounting policies (continued)

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

Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

Segment reporting

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

3 Material accounting policies (continued)

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

4 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying accounting policies

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

Revenue recognition on tariff subsidy on sales of electricity

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

According to the tariff notice released by the National Development and Reform Commission of the PRC (the "Tariff Notice"), for power plants which obtained on-grid approval and commence in generating electricity will be eligible for on-grid tariff subsidy, which is determined by deducting the basic and trading electricity price from the total electricity price set out in respective electricity purchase agreement.

Pursuant to the Tariff Notice, a set of standardised procedures for the settlement of the tariff subsidy has come into force since 2013. The approvals for the registration in the Renewable Energy Tariff Subsidy List (可再生能源發電補貼項目清單) (the "List") on a project-by-project basis are required before the allocation of funds to the state grid companies, which then would make settlement to the Group. In 2020, the government authorities jointly issued several new notices to crystalize the registration and verification process to apply tariff subsidy for wind and solar power plants, which simplify system management of the List and optimise subsidy settlement process.

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

All of the Group's power plants (including power plants held by the Group's joint ventures and associates), of which tariff subsidy is recognised as revenue, have been registered in the List, and qualified for and met relevant requirements and conditions for the entitlement of the tariff subsidy when the electricity was delivered on grid. The directors of the Company are confident that it's highly probable that the accrued revenue on tariff subsidy will be received but only subject to timing of allocation of funds from the PRC government.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units ("CGUs") to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The calculation of recoverable amount requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected or change in facts and circumstances which results in downward revision of future cash, a material impairment loss may arise.

As set out in Note 20 to the consolidated financial statements, the annual impairment review performed by the management involves assumptions, including estimated sales volumes and on-grid tariff of each wind farm, and discount rate, amongst others, that are subjective in nature and the Company is required to use judgement in applying such information. Depending on the complexity of deriving reasonable estimates of the recoverable amount of the CGU, the Group may perform such assessment utilising internal resources or the Group may engage external advisors to counsel the Group in making this assessment.

An impairment loss is recognised in the consolidated statement of profit or loss whenever the carrying amount of a CGU or groups of CGUs exceeds its recoverable amount.

As at 31 December 2024, the carrying amount of goodwill was RMB659,423,000 (2023: RMB715,623,000). No impairment (2023: No impairment) was recognised during the current year. Details of the recoverable amount calculation are disclosed in Note 20.

5 Discontinued operation

In November 2023, the Group disposed part of interest in Intelligent operation and maintenance business with cash consideration amounted RMB126,090,000 and ceased to consolidate Intelligent operation and maintenance business in the consolidated financial statements and accounted for the rest 33.25% interests as a joint venture. Management made such strategic decision to place greater focus on the Group's key competencies-i.e. operation of wind and solar power plants.

The Intelligent operation and maintenance segment was not previously classified as held-for-sale or as a discontinued operation before November 2023. The consolidated results of the Intelligent operation and maintenance segment for the period from 1 January 2023 to 30 November 2023 were presented in the consolidated statement of profit or loss and other comprehensive income as discontinued operation. The comparative consolidated statement of profit or loss and other comprehensive income distinguished the discontinued operation and continuing operations.

6 Segment information

(a) Business segments

The management has determined the operating segments based on the internal reports reviewed and used by executive directors of the Company, who are the chief operating decision makers ("CODM"), for strategic decision making.

The CODM consider the business from a product and service perspective. The Group is organised into certain business units according to the nature of the products sold or services provided. The CODM review operating results and financial information of each business unit separately. Accordingly, each business unit (including joint ventures and associates) is identified as an operating segment. These operating segments with similar economic characteristics and similar nature of products sold or services provided have been aggregated into the following reporting segments.

- Power generation segment - operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;
- Intelligent operation and maintenance segment (disposed in November 2023 and presented as discontinued operation, see Note 5) - provision of operation and maintenance, asset management, overhaul and commissioning service for wind and solar power plants; and
- "Others" segment - provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the "engineering, procurement and construction business"), and stock finance lease services.

The CODM assess the performance of the operating segments based on a measure of adjusted earnings before interest and income tax. This measurement basis excludes the effects of non-recurring income and expenditure from the operating segments.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

6 Segment information (continued)

(a) Business segments (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' remuneration, certain other income, interest revenue and finance costs, after inter-segment elimination.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments other than assets and liabilities attributable to head office.

Segment revenues and results, and segment assets and liabilities.

The following is an analysis of the Group's revenue, results, assets and liabilities by reportable operating segment.

	Continuing operations			Total
	Power generation	Others	Elimination	
	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended				
31 December 2024				
Segment revenue				
Sales to external customers	2,515,951*	236,103	-	2,752,054
Inter-segment revenues	-	857,974	(857,974)	-
	2,515,951	1,094,077	(857,974)	2,752,054
Segment results	1,432,686	16,709	-	1,449,395
Unallocated other gains and losses, net				30,982
Unallocated income				33,069
Unallocated expenses				(4,018)
Interest revenue				41,289
Finance costs				(683,945)
Profit before income tax				866,772
Income tax credit				8,803
Profit for the year				875,575
At 31 December 2024				
Segment assets	30,334,019	1,690,979	-	32,024,998
Unallocated assets				104,841
Total assets				32,129,839
Segment liabilities	(22,431,730)	(592,044)	-	(23,023,774)
Unallocated liabilities				(199,759)
Total liabilities				(23,223,533)

* Revenue from power generation comprised electricity charges and income from wind power plants and solar power plants of RMB2,154,968,000 and RMB360,983,000, respectively.

6 Segment information (continued)

	<u>Continuing operations</u>		<u>Discontinued operation</u>		
	<i>Power generation</i>	<i>Others</i>	<i>Intelligent operation and maintenance</i>	<i>Elimination</i>	<i>Total</i>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 December 2023					
Segment revenue					
Sales to external customers	2,259,413*	329,233	399,122	-	2,987,768
Inter-segment revenues	-	892,155	191,459	(1,083,614)	-
	<u>2,259,413</u>	<u>1,221,388</u>	<u>590,581</u>	<u>(1,083,614)</u>	<u>2,987,768</u>
Segment results	1,262,398	(34,481)	38,189	-	1,266,106
Unallocated other gains and losses, net					478,888
Unallocated income					39,976
Unallocated expenses					(7,447)
Interest revenue					31,047
Finance costs					(650,821)
Profit before income tax					1,157,749
Income tax expense					(168,999)
Profit for the year					<u>988,750</u>
At 31 December 2023					
Segment assets	28,500,683	2,474,293	-	-	30,974,976
Unallocated assets					261,392
Total assets					<u>31,236,368</u>
Segment liabilities	(21,309,871)	(1,295,574)	-	-	(22,605,445)
Unallocated liabilities					(195,509)
Total liabilities					<u>(22,800,954)</u>

* Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,893,041,000 and RMB366,372,000, respectively.

6 Segment information (continued)

Reconciliations of reportable segment revenue and assets

For the year ended 31 December 2024

	Continuing operations		Total
	Power generation	Others	
	RMB'000	RMB'000	RMB'000
Revenue:			
Reportable segment revenue	2,515,951	1,094,077	3,610,028
Elimination of inter-segment revenue	-	(857,974)	(857,974)
Consolidated revenue (Note 7)	2,515,951	236,103	2,752,054
Amounts included in the measure of segment profit or loss or segment assets:			
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	3,617,002	57,683	3,674,685
Depreciation of property, plant and equipment	811,429	9,183	820,612
Amortisation of other intangible assets and depreciation of right-of-use assets	63,006	9,110	72,116
Share-based compensation	5,316	499	5,815
Interests in joint ventures and associates	2,429,453	479,689	2,909,142
Share of profit or loss of joint ventures and associates, net	157,899	19,756	177,655
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:			
Loss on disposal of property, plant, and equipment	1,542	297	1,839
Recognition of impairment loss on trade and bills receivables	-	702	702
Interest revenue	(23,406)	(17,883)	(41,289)
Finance costs	674,186	9,759	683,945
Income tax (credit)/expense	(21,150)	12,347	(8,803)

6 Segment information (continued)

For the year ended 31 December 2023

	<u>Continuing operations</u>		<u>Discontinued operation</u>	
	<i>Power generation</i>	<i>Others</i>	<i>Intelligent operation and maintenance</i>	<i>Total</i>
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue:				
Reportable segment revenue	2,259,413	1,221,388	590,581	4,071,382
Elimination of inter-segment revenue	-	(892,155)	(191,459)	(1,083,614)
Consolidated revenue (Note 7)	<u>2,259,413</u>	<u>329,233</u>	<u>399,122</u>	<u>2,987,768</u>
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	5,203,004	84,630	52,445	5,340,079
Depreciation of property, plant and equipment	657,989	7,757	8,479	674,225
Amortisation of other intangible assets and depreciation of right-of-use assets	51,446	4,538	2,955	58,939
Share-based compensation	11,676	1,701	-	13,377
Interests in joint ventures and associates	2,378,405	462,327	-	2,840,732
Share of profit or loss of joint ventures and associates, net	<u>190,887</u>	<u>(1,022)</u>	<u>(390)</u>	<u>189,475</u>
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:				
(Gain)/loss on disposal of property, plant, and equipment	(2,567)	31	(22)	(2,558)
Recognition of impairment loss on trade and bills receivables	-	1,130	698	1,828
Interest revenue	(9,339)	(21,628)	(80)	(31,047)
Finance costs	631,707	12,458	6,656	650,821
Income tax expense	<u>145,028</u>	<u>8,797</u>	<u>15,174</u>	<u>168,999</u>

6 Segment information (continued)

(b) Geographical segments

The Group is classified by region of operation into the PRC and other regions, which included North America, Europe, Oceania, Southeast Asia and other regions.

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets (excluding deferred tax assets and financial assets) is presented based on the geographical location of the assets.

Revenue from external customers

	<i>Continuing operations</i>		<i>Discontinued operation</i>	
	<i>Year ended 31 December</i>		<i>Year ended 31 December</i>	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
The PRC	2,723,737	2,561,091	-	399,122
Others	28,317	27,555	-	-
	<u>2,752,054</u>	<u>2,588,646</u>	<u>-</u>	<u>399,122</u>

Specified from non-current assets

	<i>Non-current assets</i>	
	<i>At 31 December</i>	
	2024	2023
	RMB'000	RMB'000
The PRC	22,940,573	23,290,717
Others	519,786	412,925
	<u>23,460,359</u>	<u>23,703,642</u>

(c) Information about major customers

Four (2023: Two) external customers individually contribute more than 10% of the total revenue of the Group. The revenue of these customers is summarised below:

	2024	2023
	RMB'000	RMB'000
Customer A	389,489	377,163
Customer B	354,033	359,505
Customer C	354,041	*
Customer D	382,956	*

Revenue from customers above are attributable to power generation segment.

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

7 Revenue

An analysis of the Group's revenue is as follows:

	2024 RMB'000	2023 RMB'000
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of electricity:		
Basic and trading electricity price	2,158,040	1,867,969
Renewable energy subsidy (note (i))	303,026	341,581
Green energy certificates (note (ii))	39,509	45,458
Engineering, procurement and construction services	59,864	189,026
Provision of technical and consultancy services	54,544	21,185
Provision of design services	37,548	18,621
Other revenue	67,182	67,016
	2,719,713	2,550,856
Revenue from other source		
Finance lease income	32,341	37,790
Total revenue from continuing operations	2,752,054	2,588,646

Notes:

- (i) Renewable energy subsidy is provided by the relevant PRC government authorities to the wind and solar power plants operating in the PRC, subject to the fulfilment of certain conditions. As further explained in Note 4, approval for the registration in the List is required before the allocation of renewable energy subsidy by the relevant PRC government authorities.
- (ii) According to the Work Plan for Pilot Green Power Trading approved by National Development and Reform Commission and National Energy Administration, wind power and solar power plants that are not included in the List can apply to obtain green energy certificates from National Renewable Energy Information Management Center to participate in green energy trading through power exchange centers. During the year ended 31 December 2024, the Group sells green energy certificates to other green energy participants and recognised relevant revenue with amount of RMB39,509,000.

7 Revenue (continued)

An analysis of timing of revenue recognition for revenue from contracts with customers is as follows:

	2024 RMB'000	2023 RMB'000
Continuing operations		
Point in time:		
Sales of electricity	2,500,575	2,255,008
Provision of design services	37,548	18,621
Provision of technical and consultancy services	54,544	21,185
Other revenue	67,182	67,016
	2,659,849	2,361,830
Over time:		
Engineering, procurement and construction	59,864	189,026
	2,719,713	2,550,856

Performance obligations for contracts with customers

The Group's revenue is mainly generated from the sale of electricity, the provision of design, technical and consultancy services, engineering, procurement and construction business.

Revenue relating to engineering, procurement and construction is recognised over time as the relevant contracts relate to assets under the control of the customers and therefore the Group's construction activities create or enhance assets under the customers' control. Revenue for these services is recognised based on output method which recognises the Group's performance on the basis of the time incurred by the Group, and in the opinion of the directors, this output method provides a faithful depiction of the transfer of services.

Revenue from the sale of electricity comprises of basic and trading electricity price, renewable energy subsidy and green energy certificates. Revenue including the basic and trading electricity price and renewable energy subsidy is recognised when control of the electricity has been transferred, being at the point when electricity is generated and transmitted to the customer. Revenue of green energy certificates is recognised when control of the green certificates has been transferred to the customer. Revenue from the provision of design, technical and consultancy services are recognised when the services have been provided, being when the customer acknowledges receipt of the Group's drawing designs and reports.

8 Other income

An analysis of the Group's other income is as follows:

	2024 RMB'000	2023 RMB'000
Continuing operations		
Interest revenue	41,289	30,967
Government Grants:		
- Tax refunds (note (i))	34,431	36,494
- Others (including amortisation of deferred income in Note 39)	13,293	2,196
Compensations (note (ii))	53,033	15,146
Gain on transfer the right of use of boosting substations	22,018	-
Guarantee income (note (iii))	8,331	8,625
Rental income	5,373	8,039
Others	6,072	3,420
	<u>183,840</u>	<u>104,887</u>

Notes:

- (i) The amounts mainly represent refunds of value-added tax and other taxes received from the PRC tax authorities.
- (ii) The amounts mainly represented compensations from some of the Group's power equipment suppliers due to breaching the terms of the contract for purchasing of equipment.
- (iii) The amounts mainly represent guarantee fees earned for providing financial guarantees to two associates and a joint venture of the Group (see Note 40).

9 Other gains and losses, net

An analysis of other gains and losses, net is as follows:

	2024 RMB'000	2023 RMB'000
Continuing operations		
Gain on disposal/liquidation of subsidiaries, net (Note 43(b))	32,202	399,759
Gain on disposal of an associate, net	-	62
Changes in fair value of financial assets at FVTPL	16,287	42
Exchange (loss) / gain, net	(144)	6,346
(Loss) /gain on disposal of property, plant and equipment (Note 43(c))	(1,839)	2,536
Impairment losses relating to the disposal subsidiaries classified as held for sale (Note 31(a))	(14,637)	-
Donation	(1,261)	(2,073)
Others	1,076	(2,523)
	<u>31,684</u>	<u>404,149</u>

10 Impairment losses under expected credit loss model, net of reversal

	2024 RMB'000	2023 RMB'000
Continuing operations		
Impairment loss recognised in respect of:		
- Trade and bills receivables (Note 25)	<u>702</u>	<u>1,130</u>
	<u>702</u>	<u>1,130</u>

Details of impairment assessment of financial assets for the year ended 31 December 2024 are set out in Note 49(c).

11 Employee benefit expense (including directors' emoluments)

	2024 RMB'000	2023 RMB'000
Continuing operations		
Wages, salaries and bonuses	422,850	407,453
Pension costs-defined contribution plans (note (i))	61,395	49,775
Share-based compensation (Note 42)	5,815	13,377
	<u>490,060</u>	<u>470,605</u>
Less: Employee benefit expense capitalised (note (ii))	<u>(256,380)</u>	<u>(199,548)</u>
	<u>233,680</u>	<u>271,057</u>

Notes:

- (i) As at 31 December 2024, the Group had no significant forfeited contributions available to reduce its contributions to the pension scheme in future years (2023: nil).
- (ii) Employee benefit expense has been capitalised as construction in progress under property, plant and equipment during the year ended 31 December 2024.

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the current and prior year are all directors whose emoluments are reflected in the analysis shown in Note 12.

12 Directors' and chief executive's emoluments

Directors' and chief executives' remuneration for the year, disclosed pursuant to the applicable disclosure requirements of Listing Rules and the Hong Kong Companies Ordinance, are as follows:

For the year ended 31 December 2024:

Name	Fees RMB'000	Salary RMB'000	Share-based payment (note (i)) RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors:					
Liu Shunxing (Chairman)	-	9,351	448	20	9,819
Liu Jianhong (Vice Chairperson)	-	6,590	336	147	7,073
Gui Kai (Chief Executive Officer)	-	4,618	232	14	4,864
Niu Wenhui	-	4,303	232	177	4,712
Zhai Feng	-	3,269	232	172	3,673
Shang Jia	-	2,780	232	775	3,787
Chen Jinkun (note (iv))	-	553	58	16	627
Non-executive director:					
Wang Feng	-	-	-	-	-
Independent non-executive directors:					
Jesse Zhixi Fang	296	-	58	-	354
Huang Jian (note (iii))	296	-	58	-	354
Zhang Zhong	296	-	58	-	354
Li Yongli	296	-	-	-	296
Cai Bin (note (v))	56	-	-	-	56
Total	1,240	31,464	1,944	1,321	35,969

For the year ended 31 December 2023:

Name	Fees RMB'000	Salary RMB'000	Share-based payment (note (i)) RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors:					
Liu Shunxing (Chairman)	-	8,536	1,088	16	9,640
Liu Jianhong (Vice Chairperson)	-	5,691	821	256	6,768
Gui Kai (Chief Executive Officer)	-	4,443	580	1	5,024
Niu Wenhui	-	4,293	580	169	5,042
Zhai Feng	-	3,355	557	170	4,082
Shang Jia	-	3,467	568	1	4,036
Non-executive director:					
Wang Feng	-	-	-	-	-
Independent non-executive directors:					
Yap Fat Suan, Henry (note (ii))	238	-	144	-	382
Jesse Zhixi Fang	238	-	144	-	382
Huang Jian (note (iii))	238	-	144	-	382
Zhang Zhong	238	-	144	-	382
Li Yongli	238	-	-	-	238
Total	1,190	29,785	4,770	613	36,358

12 Directors' and chief executive's emoluments (continued)

Notes:

- (i) These represent amortisation of the fair value of shares award under the Scheme (Note 42) measured at the grant date and charged to the profit or loss during the reporting period.
- (ii) Mr. Yap Fat Suan has been resigned as an independent non-executive director of the Company and the Chairman of the Audit Committee of the Company with effect from 18 December 2023.
- (iii) Ms. Huang Jian has been appointed as the Chairman of the Audit Committee of the Company with effect from 18 December 2023.
- (iv) Mr. Chen Jinkun has been appointed as the executive director of the Company with effect from 26 April 2024.
- (v) Mr. Cai Bin has been appointed as the independent non-executive director of the Company with effect from 25 October 2024.

Save as those emoluments presented above, no other fees or emoluments were paid, have been or will be paid to the independent non-executive directors in respect of the current year (2023: nil).

The executive directors' remuneration shown above was for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were for their services as directors of the Company. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the current and prior years, no emoluments were paid to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

13 Finance costs

	2024 RMB'000	2023 RMB'000
Continuing operations		
Interest expenses on:		
- Bank borrowings	198,730	114,810
- Other borrowings	516,529	561,791
- Senior notes	-	35,053
- Lease liabilities	18,392	11,066
	733,651	722,720
Less: Interest capitalised (note)	(49,706)	(78,555)
	683,945	644,165

13 Finance costs (continued)

Note:

During the year ended 31 December 2024, finance costs have been capitalised at various applicable rates ranging from 2.45% to 5.19% (2023: 3.40% to 11.76%) per annum for qualified assets classified as construction in progress under property, plant and equipment.

14 Profit before income tax

Profit before income tax is arrived at after charging the following:

	2024 RMB'000	2023 RMB'000
Continuing operations		
Cost of sales and services rendered included:		
Direct operating costs for power generation	1,100,932	873,717
Cost of provision of design services	25,868	14,398
Cost of provision of technical and consultancy services	17,142	25,445
Cost of engineering, procurement and construction services	47,037	201,179
Cost of finance lease	3,275	2,457
Cost of others	41,952	65,824
	<u>1,236,206</u>	<u>1,183,020</u>
Depreciation of property, plant and equipment	822,970	668,275
Depreciation of right-of-use assets	78,280	61,629
Amortisation of other intangible assets	<u>97</u>	<u>97</u>
Total depreciation and amortisation	901,347	730,001
Less: Amount capitalised as construction in progress under property, plant and equipment	<u>(8,619)</u>	<u>(8,271)</u>
Total depreciation and amortisation charged to profit or loss	892,728	721,730
Less: Amounts included in cost of sales and services rendered	<u>(863,462)</u>	<u>(694,522)</u>
Amounts included in administrative expenses	<u>29,266</u>	<u>27,208</u>
Auditor's remuneration	<u>4,050</u>	<u>4,050</u>

15 Income tax (credit) / expense

(a) Taxation in the consolidated statement of profit or loss represents:

	2024 RMB'000	2023 RMB'000
Continuing operations		
Current tax		
- PRC corporate income tax	106,670	95,835
- PRC withholding tax	30,562	98,863
Under/(over)-provision in prior years:		
- PRC corporate income tax	3,050	2,709
- PRC withholding tax (note (i))	(90,000)	-
Deferred tax (Note 38)	<u>(59,085)</u>	<u>(43,582)</u>
	<u>(8,803)</u>	<u>153,825</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first Hong Kong dollars ("HK\$") 2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

PRC corporate income tax is provided for at the rate of 25% (2023: 25%) for the year of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. During the year ended 31 December 2024, no provisions for income tax have been made in other jurisdictions as the Group had no assessable profit generated from other jurisdictions (2023: nil).

The law of the PRC on corporate income tax provides that qualified dividend income between two "resident corporates" that have a direct investment relationship is exempted from income tax. Otherwise, under the CIT Law and its relevant regulations, dividends receivable by non-PRC resident enterprises from PRC resident enterprises for earnings accumulated beginning on 1 January 2008 are subject to withholding tax at a rate of 10% unless reduced by tax treaties or agreements. Under the tax arrangement between the mainland China and Hong Kong Special Administration Region, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of the equity interest of a PRC resident enterprise is entitled to a reduced dividend withholding tax rate of 5%. The Group is currently subject to withholding tax at 5% to 10%.

Deferred tax liabilities, in respect of the PRC withholding tax that would be payable on the distribution of these profits, have not been recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that such profits will not be distributed in the foreseeable future.

15 Income tax (credit) / expense (continued)

Note:

- (i) On 25 June 2024, the Company qualified as Hong Kong resident and the Company is entitled to a reduce dividend withholding tax rate at 5% for 2022 and 2023. The Group reversed PRC dividend withholding tax of RMB90,000,000 in relation to declared dividend distribution out of earnings of PRC subsidiaries of RMB1,800,000,000 in 2022 and 2023 with withholding tax previously recognised at a rate of 10%. The Group has received the tax refund in relation to amount paid in previous years from tax authorities in 2024.

(b) Reconciliation between tax (credit) / expense and accounting profits at applicable tax rates:

	2024 RMB'000	2023 RMB'000
Continuing operations		
Profit before income tax from continuing operations	866,772	1,048,633
Tax calculated at domestic income tax rate of 25% (2023: 25%) (note (i))	216,694	262,158
Effect of different tax rates of certain subsidiaries (note (ii))	(66,217)	(47,070)
Tax effect of share of results of associates and joint ventures	(44,998)	(47,575)
Tax effect of non-taxable income	(7,852)	(95,250)
Tax effect of non-deductible expenses	2,004	2,627
(Over)/under-provision in prior years	(86,950)	2,709
Effects of tax holiday on assessable profits of subsidiaries established in the PRC (note (iii))	(99,747)	(102,825)
Tax effect of tax losses not recognised	39,887	58,246
Utilisation of previously unrecognised tax losses and unrecognised temporary differences	(3,730)	(21,293)
Tax effect of temporary differences not recognised	11,544	43,235
Recognition of withholding tax in current year	30,562	98,863
Income tax	<u>(8,803)</u>	<u>153,825</u>

Notes:

- (i) The domestic tax rate (which is PRC corporate income tax rate) in the jurisdiction where the operation of the Group is substantially based is used.
- (ii) Certain subsidiaries resided in western China or engaged in high-technology industry are entitled to preferential income tax rate of 9% and 15%, respectively (2023: 9% and 15%, respectively). The tax rate of subsidiaries resided in Hong Kong SAR is 16.5%.

15 Income tax (credit) / expense (continued)

- (iii) Certain subsidiaries of the Group established in the PRC are entitled to preferential tax treatments including three years exemption followed by three years of a 50% tax reduction. The first year exemption started from 2019 to 2024 (2023: 2018 to 2023).
- (iv) In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") for a new global minimum tax reform applicable to large multinational enterprises. The Group's operations are mainly located in the PRC where Pillar Two income tax legislation is not implemented. In 2024 the Hong Kong SAR Government amended the Inland Revenue Ordinance to introduce a domestic minimum top-up tax which will take effect from the year ended 31 December 2025. The director of the Group is of the opinion the enacted to be implemented will not have a material impact on the consolidated financial statements.

16 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

(i) Profit attributable to ordinary shareholders

	2024			2023		
	Continuing operations RMB'000	Discontinued operation RMB'000	Total RMB'000	Continuing operations RMB'000	Discontinued operation RMB'000	Total RMB'000
Profit attributable to ordinary shareholders	805,133	-	805,133	877,502	86,272	963,774

(ii) Weighted-average number of ordinary shares

	2024 '000	2023 '000
Issued ordinary shares at 1 January	8,444,719	8,975,469
Effect of treasury shares (Note 41)	(442,280)	(533,369)
Weighted-average number of ordinary shares at 31 December	8,002,439	8,442,100

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares from the share award scheme.

(i) Profit attributable to ordinary shareholders (diluted)

	2024			2023		
	Continuing operations RMB'000	Discontinued operation RMB'000	Total RMB'000	Continuing operations RMB'000	Discontinued operation RMB'000	Total RMB'000
Profit attributable to ordinary shareholders	805,133	-	805,133	877,502	86,272	963,774

16 Earnings per share (continued)

(ii) Weighted-average number of ordinary shares (diluted)

	2024 '000	2023 '000
Weighted average number of ordinary shares	8,002,439	8,442,100
Effect of share award scheme	12,662	21,432
Weighted average number of ordinary shares (diluted) at 31 December	8,015,101	8,463,532

17 Dividend

	2024 RMB'000	2023 RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year: 2023 Final - HK\$0.035 (2022: HK\$0.035) per share	258,890	278,487

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2024 of HK\$0.035 per ordinary share has been recommended by the directors of the Company and is subject to approval by the shareholders at the forthcoming annual general meeting (2023: final dividend in respect of the year ended 31 December 2023 of HK\$0.035 per ordinary share has been recommended by the directors of the Company and approved by the shareholders at the annual general meeting held on 7 June 2024).

18 Property, plant and equipment

Cost:	Buildings RMB'000	Leasehold improvements RMB'000	Plant, machinery and equipment RMB'000	Office furniture and fixtures RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
As at 1 January 2024	255,600	56,282	16,495,806	129,625	59,563	3,056,511	20,053,387
Additions	-	390	12,657	19,963	10,317	3,019,818	3,063,145
Acquisition of a subsidiary (Note 43(d))	12,039	-	48,084	380	220	-	60,723
Transfer from construction in progress	-	2,518	2,196,907	-	-	(2,199,425)	-
Reclassifications	(1,641)	-	1,917	(276)	-	-	-
Reclassifications to assets held for sale (Note 31(b))	-	-	(2,574,164)	(391)	(202)	(10,434)	(2,585,191)
Disposals (Note 43(c))	-	(793)	(1,860)	(156)	(14,575)	(1)	(17,385)
Disposal of subsidiaries (Note 43(b))	-	(10)	(366,874)	(4,011)	(612)	(132,770)	(504,277)
As at 31 December 2024	265,998	58,387	15,812,473	145,134	54,711	3,733,699	20,070,402
Less: accumulated depreciation:							
As at 1 January 2024	34,198	22,841	2,101,314	65,679	30,782	-	2,254,814
Charge for the year	3,870	1,652	796,936	15,201	5,311	-	822,970
Acquisition of a subsidiary (Note 43(d))	3,683	-	10,223	358	221	-	14,485
Reclassifications	-	-	-	-	-	-	-
Reclassifications to assets held for sale (Note 31(b))	(406)	-	(251,641)	(226)	(99)	-	(252,372)
Disposals (Note 43(c))	-	(59)	(264)	(100)	(9,428)	-	(9,851)
Disposal of subsidiaries (Note 43(b))	-	(1)	(44,845)	(1,481)	(291)	-	(46,618)
As at 31 December 2024	41,345	24,433	2,611,723	79,431	26,496	-	2,783,428
Less: accumulated impairment loss							
As at 1 January 2024	-	-	-	-	-	39,139	39,139
As at 31 December 2024	-	-	-	-	-	39,139	39,139
Net carrying value:							
As at 31 December 2024	224,653	33,954	13,200,750	65,703	28,215	3,694,560	17,247,835

18 Property, plant and equipment (continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Plant, machinery and equipment RMB'000	Office furniture and fixtures RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:							
As at 1 January 2023	428,725	60,076	12,695,294	75,491	74,183	3,325,932	16,659,701
Additions	190,101	4,299	32,231	20,962	29,563	4,546,125	4,823,281
Transfer from construction in progress	-	-	4,763,859	446	-	(4,764,305)	-
Reclassifications	(363,226)	(8,093)	308,192	63,127	-	-	-
Disposals (Note 43(c))	-	-	(53,746)	(10,740)	(5,052)	-	(69,538)
Disposal of subsidiaries (Note 43(b))	-	-	(1,250,024)	(19,661)	(39,131)	(51,241)	(1,360,057)
As at 31 December 2023	255,600	56,282	16,495,806	129,625	59,563	3,056,511	20,053,387
Less: accumulated depreciation:							
As at 1 January 2023	106,208	27,710	1,497,109	69,407	41,408	-	1,741,842
Charge for the year	5,825	2,819	650,573	8,369	9,168	-	676,754
Reclassifications	(77,835)	(7,688)	85,523	-	-	-	-
Disposals (Note 43(c))	-	-	(49,821)	(4,200)	(3,383)	-	(57,404)
Disposal of subsidiaries (Note 43(b))	-	-	(82,070)	(7,897)	(16,411)	-	(106,378)
As at 31 December 2023	34,198	22,841	2,101,314	65,679	30,782	-	2,254,814
Less: accumulated impairment loss							
As at 1 January 2023	-	-	-	-	-	41,262	41,262
Disposal of subsidiaries (Note 43(b))	-	-	-	-	-	(2,123)	(2,123)
As at 31 December 2023	-	-	-	-	-	39,139	39,139
Net carrying value:							
As at 31 December 2023	221,402	33,441	14,394,492	63,946	28,781	3,017,372	17,759,434

18 Property, plant and equipment (continued)

- (a) For the above items of property, plant and equipment, except for construction in progress, depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 to 73 years
Leasehold improvements	Over the shorter of useful lives of 5 years and lease terms
Plant, machinery and equipment	20 years
Office furniture and fixtures	3 to 5 years
Motor vehicles	6 to 10 years

- (b) During the year ended 31 December 2024, depreciation of RMB2,358,000 (2023: RMB2,529,000) has been capitalised as construction in progress under property, plant and equipment.
- (c) As at 31 December 2024, certain buildings and power plant equipment with an aggregate net carrying value of RMB35,760,000 (2023: RMB38,596,000), RMB6,597,595,000 (2023: RMB9,197,018,000), respectively, have been pledged to banks and certain financial institutions to secure banking facilities and other borrowings granted to the Group (Note 35 and Note 36).

19 Right-of-use assets

	Power plant equipment RMB'000	Leasehold lands RMB'000	Buildings RMB'000	Total RMB'000
As at 1 January 2024				
Net carrying amount	95,422	847,312	7,211	949,945
As at 31 December 2024				
Net carrying amount	299,164	1,092,903	8,247	1,400,314
For the year ended 31 December 2023				
Depreciation charge for the year	19,369	37,236	7,979	64,584
For the year ended 31 December 2024				
Depreciation charge for the year	17,028	48,930	12,322	78,280

19 Right-of-use assets (continued)

Amounts included in the cash flow statement for leases comprise the following:

	2024 RMB'000	2023 RMB'000
Within operating cash flows	201	274
Within investing cash flows	245,170	443,063
Within financing cash flows	48,336	30,798
Total cash flow for leases (note(ii))	293,707	474,135

Notes:

- (i) During the year ended 31 December 2024, additions to right-of-use assets were RMB611,540,000 (2023: RMB516,798,000).
- (ii) These amounts include payments of capital and interest element of lease liabilities, payments for leases of low-value-assets and payments of lease payments on or before lease commencement date (including leasehold land). These amounts could be presented in operating, investing or financing cash flows.

For the years ended 31 December 2024 and 2023, the Group leases various machineries and leasehold lands for its operations. Lease contracts are entered into for fixed term of 2 years to 50 years, and do not contain extension or termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Details of the lease maturity analysis of lease liabilities are set out in Notes 37 and 49(b).

20 Intangible assets

	Goodwill RMB'000	Other intangible assets RMB'000	Total RMB'000
Net carrying value as at 1 January 2023	787,716	508	788,224
Amortisation	-	(97)	(97)
Disposal of subsidiaries (Note 43(b))	(72,093)	-	(72,093)
Net carrying value as at 31 December 2023	715,623	411	716,034
Addition	-	98	98
Amortisation	-	(97)	(97)
Reclassifications to assets held for sale (Note 31(b))	(50,470)	-	(50,470)
Disposal of subsidiaries (Note 43(b))	(5,730)	-	(5,730)
Net carrying value as at 31 December 2024	659,423	412	659,835

20 Intangible assets (continued)

Goodwill

Goodwill mainly arose from the acquisition of China Wind Power Holdings Limited ("China Wind Power") and its subsidiaries (collectively "China Wind Power Group"), which was completed on 1 August 2007. China Wind Power Group was engaged in investment in wind power plants, engineering, procurement, construction and power plant operations and maintenance.

Upon application of HKFRS 8, *Operating Segment* in 2009, the relevant goodwill was reallocated to the respective groups of CGUs, which represent the lowest level within the Group at which the relevant goodwill is monitored for internal management purposes, and not larger than an operating segment. The reallocation was based on the relative value of the relevant groups of CGUs.

(a) Impairment tests for cash-generating units containing goodwill

The carrying amounts of goodwill are allocated to the groups of CGUs as follows:

	<i>Continuing operations</i>		<i>Discontinued operation</i>
	<i>Investment in wind power plants</i>	<i>Engineering, procurement and construction ("EPC Business") (note (i))</i>	<i>Intelligent operation and maintenance (note (ii))</i>
	RMB'000	RMB'000	RMB'000
Cost			
At 1 January 2023	713,813	75,800	60,687
Disposal of subsidiaries (Note 43(b))	(11,406)	-	(60,687)
At 31 December 2023 and 1 January 2024	702,407	75,800	-
Disposal of subsidiaries (Note 43(b))	(5,730)	-	-
Reclassifications to assets held for sale (Note 31(b))	(50,470)	-	-
At 31 December 2024	646,207	75,800	-
Impairments			
At 1 January 2023, 31 December 2023 and 31 December 2024	-	(62,584)	-
Net carrying amount	646,207	13,216	-

Notes:

- (i) The Group has assessed the recoverable amount of goodwill and determined that the goodwill has not been further impaired, apart from the impairment provided for the EPC Business CGUs in the prior year as explained below.

In 2017, the directors of the Company determine that the scale of the EPC Business will be reduced in the foreseeable future and the Group will principally focus on the provision of design and consultancy services. Accordingly, an impairment loss of RMB62,584,000 was recognised in the 2017.

20 Intangible assets (continued)

- (ii) In November 2023, the Group disposed part of interest in Intelligent operation and maintenance business and the relevant goodwill allocated to Intelligent operation and maintenance CGU was derecognised accordingly.

(b) Key assumptions

The recoverable amount is determined based on fair value less costs to disposal using discounted cash flow method. These calculations use cash flow projections based on the financial forecast covering the forecast period and pre-tax discount rate applied to the cash flow projections. Cash flows beyond the forecast period were extrapolated using an estimated growth rate. The cash flows and discount rate reflect assumptions that market participants would use when pricing the relevant CGUs. The key assumptions used in estimating the recoverable amount are as follows:

	2024	2023
Investment in wind power plants		
Pre-tax discount rate for operating projects	15.43%	16.32%
Pre-tax discount rate for under-construction projects	16.08%-17.06%	18.98%
Growth rate in the forecast period	N/A	N/A
Engineering, procurement and construction ("EPC Business")		
Pre-tax discount rate	15.00%	15.00%
Growth rate in the Forecast Period	N/A	N/A

(c) Sensitivity analysis

Management have undertaken sensitivity analysis on the impairment loss of goodwill allocated investment on wind power plants CGU. The following analysis demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in pre-tax discount rate and power generation volume, with all other variables held constant, under which no further impairment is required:

- If discount rate applied increased/decreased 1% (2023: 1%) and all other variables were held constant, the Group's recoverable amount of the CGUs as at 31 December 2024 would have decreased/increased by RMB243,028,000/RMB247,093,000 (2023: RMB349,280,000/RMB355,970,000).
- If power generation volume increased/decreased by 5% (2023: 5%) and all other variables were held constant, the Group's recoverable amount of the CGUs as at 31 December 2024 would have increased/decreased by RMB1,875,670,000/RMB1,870,915,000 (2023: RMB2,641,740,000/RMB2,632,480,000).

20 Intangible assets (continued)

In view of the directors of the Company, any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the CGUs' carrying amounts to exceed their respective recoverable amounts.

21 Interests in associates and balances with associates

The amounts recognised in the consolidated statement of financial position are as follows:

	2024 RMB'000	2023 RMB'000
Non-current assets		
Cost of investment in associates	720,519	713,930
Share of post-acquisition results and other comprehensive income, net of dividends received	41,353	44,321
Share of net assets of associates (note (i))	761,872	758,251
Current assets		
Amounts due from associates (note (ii))	1,778	878
Other receivables from associates (note (iii))	29,382	23,765
Finance lease receivables	21,961	26,128
	53,121	50,771
Less: Allowance for amounts due from associates	-	-
	53,121	50,771
Current liabilities		
Amounts due to associates	(70)	(70)

21 Interests in associates and balances with associates (continued)

Notes:

- (i) As at 31 December 2024 and 2023, particulars of the principal associates are as follows:

Name of associates	Place of establishment and operations and kind of legal entity	Proportion of ownership interest and voting rights held by the Group		Principal activities
		2024	2023	
Fuxin Taihe Wind Power Co., Ltd. ("Fuxin Taihe")	The PRC, limited company	30%	30%	Wind power plant investment and operation
Changtu Liaoneng Xiexin Wind Power Co., Ltd.	The PRC, Sino-foreign equity joint venture	25%	25%	Wind power plant investment and operation
Jilin Province Zhanyu Wind Power Assets Management Co., Ltd.	The PRC, limited company	17%	17%	Wind power plant investment and operation
Chaoyang Century Concord Wanjia Wind Power Co., Ltd.	The PRC, limited company	30%	30%	Wind power plant investment and operation
Daoxian Century Concord Wind Power Co., Ltd.	The PRC, limited company	25%	25%	Wind power plant investment and operation
Daoxian Jingtang Century Concord Wind Power Co., Ltd.	The PRC, limited company	25%	25%	Wind power plant investment and operation
Harbin Maitu Precision Technology Co., Ltd	The PRC, limited company	17%	17%	Medical research and experimental development
Harbin Beike Health Technology Co., Ltd	The PRC, limited company	20%	20%	Medical research and experimental development
SYNVISTA ENERGY HOLDINGS PTE. LTD.	Republic of Singapore, Sino-foreign equity joint venture	25%	N/A	Investment holding

21 Interests in associates and balances with associates (continued)

- (ii) Amounts due from associates represent trade receivables and are unsecured, interest-free and repayable based on terms of the relevant contracts.

The ageing analysis of the above trade receivables net of allowance for credit losses, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	900	-
Over 1 year	878	878
	<u>1,778</u>	<u>878</u>

- (iii) Other receivables from associates are unsecured, interest-free, non-trade in nature and repayable on demand.

Summarised aggregate financial information of the Group's interests in all individually immaterial associates that are accounted for using the equity method is as follows:

	2024 RMB'000	2023 RMB'000
Current assets	1,080,065	1,112,747
Non-current assets	1,597,553	1,639,622
Current liabilities	(354,614)	(299,523)
Non-current liabilities	(528,333)	(644,526)
Net assets	<u>1,794,671</u>	<u>1,808,320</u>

Summarised aggregate of profit or loss and other comprehensive income is as follows:

	2024 RMB'000	2023 RMB'000
Revenue	320,605	337,173
Depreciation and amortisation	(105,959)	(103,959)
Finance costs	(27,419)	(32,174)
Other expenses	(155,642)	(145,183)
Profit before income tax	31,585	55,857
Income tax expense	(31,822)	(25,531)
Profit and other comprehensive income for the year	<u>(237)</u>	<u>30,326</u>
Dividend received from the associate during the year	<u>(14,000)</u>	<u>(33,753)</u>

21 Interests in associates and balances with associates (continued)

Set out below is, in aggregate, the carrying amounts of the Group's interests in all individually immaterial associates that are accounted for using the equity method.

	2024 RMB'000	2023 RMB'000
Aggregate carrying amount of the Group's interests in these associates	<u>761,872</u>	<u>758,251</u>
The Group's share of profit and other comprehensive income for the year	<u>11,152</u>	<u>17,029</u>

22 Interests in joint ventures and balances with joint ventures

The amounts recognised in the consolidated statement of financial position are as follows:

	2024 RMB'000	2023 RMB'000
Non-current assets		
Cost of investment in joint ventures	1,767,072	1,774,455
Share of post-acquisition results and other comprehensive income, net of dividends received	<u>380,198</u>	<u>308,026</u>
Share of net assets of joint ventures (note (i))	<u>2,147,270</u>	<u>2,082,481</u>
Current assets		
Amounts due from joint ventures (note (v))	<u>287,109</u>	<u>304,949</u>
Current liabilities		
Amounts due to joint ventures	<u>(52,010)</u>	<u>(35,574)</u>

22 Interests in joint ventures and balances with joint ventures (continued)

Notes:

- (i) As at 31 December 2024 and 2023, particulars of the principal joint ventures are as follows:

Name of joint ventures	Place of establishment and operations and kind of legal entity	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		Principal activities
		2024	2023	2024	2023	
Jilin CWP-Milestone Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Erlanhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Jilin Taihe Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Tongliao Taihe Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Mengdong Century Concord New Energy Co., Ltd.	The PRC, limited Company	32%	32%	50%	50%	Wind and solar power plant investment and operation
Gansu Guazhou Century Concord Wind Power Co., Ltd.	The PRC, limited Company	51%	51%	50%	50%	Wind power plant investment and operation
Suzhou Century Concord Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Xiaoxian Century Concord Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Jianghua Yao Autonomous County Century Concord Wind Power Co., Ltd.	The PRC, limited company	59%	59%	50%	50%	Wind power plant investment and operation
Jingmen Century Concord Wind Power Co., Ltd.	The PRC, limited Company	59%	59%	50%	50%	Wind power plant investment and operation
Hebi Century Junlong Wind Power Co., Ltd.	The PRC, limited Company	59%	59%	50%	50%	Wind power plant investment and operation
Yantai Yihao New Energy Development Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Xiangyang Yulong Wind Power Co., Ltd.	The PRC, limited Company	49%	49%	50%	50%	Wind power plant investment and operation
Binxian Century Concord Wind Power Co., Ltd. ("Binxian Century") (note (ii))	The PRC, limited Company	49%	49%	40%	40%	Wind power plant investment and operation
Beijing Century Concord Operation and Maintenance Co., Ltd. (note (iii))	The PRC, limited Company	33%	33%	40%	40%	Wind power plant operation and maintenance
Siwei Energy (Wuhan) Technology Co., Ltd. ("Siwei (Wuhan)") (note (iv))	The PRC, limited Company	49%	100%	49%	100%	Sales of energy storage system equipment
Green Vantage Investment Pte. Ltd	Republic of Singapore, Sino-foreign equity joint venture	49%	N/A	49%	N/A	Investment holding

22 Interests in joint ventures and balances with joint ventures (continued)

- (ii) During the year ended 31 December 2023, the Group entered into a series of share transfer agreements and finally disposed of 51% equity interests in Binxian Century, a subsidiary of the Group, to a third party, which is independent to the Group. The Group lost control of Binxian Century with remaining 49% equity interest and ceased to consolidate Binxian Century in consolidated financial statements. Under the joint venture agreement, at least two-thirds of the voting rights are required for decision on directing the relevant activities of Binxian Century, the directors are of the opinion that the Group's interest in Binxian Century is accounted for as a joint venture.
- (iii) During the year ended 31 December 2023, Beijing Juyang Juhe Solar Power Technology Development Co., Ltd., a subsidiary of the Group, entered into the share transfer agreement with Xizang Dingyu Century Concord New Energy Development Co., Ltd., which is controlled by a connected person of the Company, to sell 28.75% shareholding interests in the Group's subsidiary, Beijing Century Concord Operation and Maintenance Co., Ltd. ("Century Concord O&M"). Also, Century Concord Wind Power Investment Co., Ltd., another subsidiary of the Group, entered into the share transfer agreement with another third party, Shanxi Juhua Investment Co., Ltd, to dispose 100% interests in Xizang Jingwei Century Concord New Energy Investment Co., Ltd., which held 10% interests in Century Concord O&M. The Group previously held 72% shareholding interests in Century Concord O&M before the above-mentioned transactions.

After the above transactions, the Group lost control of Century Concord O&M with remaining 33.25% equity interests in Century Concord O&M and the 46.75% and 20% equity interests in Century Concord O&M were held by an entity controlled by a connected person of the Company and two third parties which are independent to the Group, respectively. Under the joint venture agreement, at least three-fifths of the voting rights are required for decision on directing the relevant activities of Century Concord O&M, the directors are of the opinion that the Group's interest in Century Concord O&M is accounted for as a joint venture.

- (iv) During the year ended 31 December 2024, the Group entered into a series of share transfer agreements and finally disposed of 51% equity interests in Siwei (Wuhan), a subsidiary of the Group, to an associate of the Group. The Group lost control of Siwei (Wuhan) with remaining 49% equity interest and cease to consolidate Siwei (Wuhan) in consolidated financial statements. Under the joint venture agreement, at least two-thirds of the voting rights are required for decision on directing the relevant activities of Siwei (Wuhan), the directors are of the opinion that the Group's interest in Siwei (Wuhan) is accounted for as a joint venture (see Note 43(b)).

22 Interests in joint ventures and balances with joint ventures (continued)

- (v) Amounts due from joint ventures included trade receivables from joint ventures amounted RMB2,756,000 (2023: RMB900,000), which were netted of impairment loss of nil (2023: RMB nil), are unsecured, interest-free and repayable according to the terms of the relevant contracts. The remaining balances of RMB284,353,000 (2023: RMB304,049,000) are unsecured, interest-free and repayable on demand.

The movements in the impairment loss on trade receivables from joint ventures during the year are as follows:

	<i>Lifetime ECL (credit-impaired) 2024 RMB'000</i>	<i>Lifetime ECL (credit-impaired) 2023 RMB'000</i>
At 1 January	-	-
Impairment loss reversed during the year, net	-	-
At 31 December	-	-

An aging analysis of the above trade receivables from joint ventures, net of allowance for credit losses based on the invoice date, is as follows:

	<i>2024 RMB'000</i>	<i>2023 RMB'000</i>
Within 3 months	2,756	900
3 to 6 months	-	-
	<u>2,756</u>	<u>900</u>

Summarised financial information of joint ventures

Set out below is the summarised unaudited financial information for Century Concord O&M, a principal joint venture of the Group in the opinion of the directors of the Company, prepared under HKFRSs which is accounted for using the equity method.

22 Interests in joint ventures and balances with joint ventures (continued)

Century Concord O&M

Summarised statement of financial position

	2024 RMB'000	2023 RMB'000
Current assets	631,770	543,016
Non-current assets	114,811	114,678
Current liabilities	(509,347)	(462,449)
Non-current liabilities	(34,965)	(59,393)
Net assets	202,269	135,852
Attributable to:		
Equity shareholders	199,712	135,269
Non-controlling interests	2,557	583
Total equity	202,269	135,852

Summarised statement of profit or loss and other comprehensive income

	2024 RMB'000	For the period from 1 December 2023 to 31 December 2023 RMB'000
Revenue	846,312	82,186
Depreciation and amortisation	(10,981)	(1,027)
Finance costs	(17,049)	(2,080)
Other expenses	(748,359)	(79,466)
Profit / (loss) before income tax	69,923	(387)
Less: income tax expense	5,202	(8,859)
Profit and other comprehensive income for the year	64,721	8,472
Profit and other comprehensive income for the year attributable to equity shareholders	64,443	8,472
Dividend received from the joint venture during the year	-	-
Share of profit and other comprehensive income by the Group	21,427	2,817

22 Interests in joint ventures and balances with joint ventures (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2024 RMB'000	2023 RMB'000
Total equity of Century Concord O&M attributable to equity shareholders as at 31 December	199,712	135,269
The Group's shareholding in Century Concord O&M	33.25%	33.25%
The Group's share of net assets of Century Concord O&M	66,404	44,977
Impact of fair value adjustment	65,998	65,998
Carrying amount of the Group's interest in Century Concord O&M	132,402	110,975

The Group's other joint ventures are involved in wind power plant investments and operations and related activities in the PRC, and each joint venture involved in wind power plant investments and operations has similar risks and returns. Accordingly, the directors of the Company have considered that it is appropriate to aggregate the disclosures in accordance with HKFRS 12 *Disclosure of Interests in Other Entities* and present the summarised financial information of the Group's joint ventures engaged in the same principal activities on an aggregate basis.

Summarised aggregate financial information of the Group's joint ventures engaged in wind and solar power plant investments and operations is as follows:

	2024 RMB'000	2023 RMB'000
Current assets	2,910,602	2,696,304
Non-current assets	6,047,118	6,738,583
Current liabilities	(1,083,987)	(1,413,941)
Non-current liabilities	(3,639,241)	(3,842,279)
Net assets	4,234,492	4,178,667

22 Interests in joint ventures and balances with joint ventures (continued)

The above amounts of assets and liabilities include the following:

	2024 RMB'000	2023 RMB'000
Cash and cash equivalents	253,312	357,726
Current financial liabilities (excluding trade payables and other payables)	(621,936)	(1,012,222)
Non-current financial liabilities	<u>(3,616,611)</u>	<u>(3,824,001)</u>

	2024 RMB'000	2023 RMB'000
Revenue	1,274,315	1,390,549
Depreciation and amortisation	(535,166)	(494,039)
Interest expense	(169,571)	(154,408)
Other expenses	<u>(231,802)</u>	<u>(302,862)</u>
Profit before income tax	337,776	439,240
Income tax expense	<u>(49,888)</u>	<u>(75,136)</u>
Net profit and other comprehensive income for the year	<u>287,888</u>	<u>364,104</u>
Dividend received from these joint ventures during the year	<u>34,331</u>	<u>59,933</u>

Set out below is the carrying amounts of the Group's interests in another individually immaterial joint venture that is accounted for using the equity method.

	2024 RMB'000	2023 RMB'000
Aggregate carrying amount of the Group's interests in a joint venture	<u>19,215</u>	<u>-</u>
The Group's share of profit and other comprehensive income for the year	<u>2,349</u>	<u>-</u>

23 Financial assets at fair value through profit or loss

	2024 RMB'000	2023 RMB'000
Unlisted equity securities, at fair value (note (i))	180,890	69,659
Listed equity securities, at fair value (note (ii))	-	99,538
	<u>180,890</u>	<u>169,197</u>
Analysed for reporting purpose as:		
Current assets	55,733	154,451
Non-current assets	<u>125,157</u>	<u>14,746</u>
	<u>180,890</u>	<u>169,197</u>

Notes:

- (i) The unlisted equity securities represent investment in equity securities issued by private entities established and operate in the PRC and North America.
- (ii) The Group disposed all listed equity securities with a total consideration of RMB99,445,000 on the Stock Exchange.

24 Contract assets

	2024 RMB'000	2023 RMB'000
Retention receivables	39,657	77,009
Contract assets arising from performance under construction contracts	<u>39,158</u>	<u>39,166</u>
	78,815	116,175
Impairment loss on contract assets	<u>-</u>	<u>-</u>
	<u>78,815</u>	<u>116,175</u>
Analysed for reporting purposes as:		
Current assets	<u>78,815</u>	<u>116,175</u>
	<u>78,815</u>	<u>116,175</u>

25 Trade and bills receivables

	2024 RMB'000	2023 RMB'000
Trade receivables, at amortised cost (note (i))	348,152	419,792
Tariff adjustment receivables, at amortised cost (note (ii))	1,178,858	991,170
Bills receivables, at FVTPL (note (iii))	126,546	9,000
	1,653,556	1,419,962
Impairment loss on trade receivables (note (i))	(4,764)	(4,062)
	<u>1,648,792</u>	<u>1,415,900</u>

The Group does not hold any collaterals over trade and bills receivables as security.

Details of impairment assessment of trade receivables for the year ended 31 December 2024 are set out in Note 49(c).

Notes:

(i) Trade receivables

The Group's trade receivables include receivables from the sale of electricity, provision of construction and other services. The Group's credit terms granted to customers ranging from 30 to 180 days. For certain construction projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the contracts signed between the Group and its customers.

Further details on the Group's credit policy and credit risk arising from trade debtors are set out in Note 49(c).

As at 31 December 2024, the ageing analysis of the trade receivables, net of allowance for credit losses, presented based on invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	238,011	309,013
3 to 6 months	14,224	14,975
6 to 12 months	19,396	78,845
1 to 2 years	66,658	10,850
Over 2 years	5,099	2,047
	<u>343,388</u>	<u>415,730</u>

Certain of the Group's bank borrowings (see Note 35) are pledged by the cash receipts from the sale of electricity by certain of the Group's power plants.

25 Trade and bills receivables (continued)

(ii) Tariff adjustment receivables

An ageing analysis of the tariff adjustment receivables, based on the revenue recognition date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	100,254	94,055
3 to 6 months	77,453	85,296
6 to 12 months	164,713	206,635
Over 1 year	836,438	605,184
	<u>1,178,858</u>	<u>991,170</u>

Tariff adjustment receivables from the sale of electricity mainly represent receivables from the state grid companies. The collection of the tariff adjustment receivables is subject to settlement by state grid companies upon finalisation of the allocation of funds by relevant PRC government authorities to the state grid companies.

(iii) Bills receivables

As at 31 December 2024, the Group endorsed certain bills receivables accepted by banks in Mainland China (the "Bills") to certain of its suppliers in order to settle the trade payables for these suppliers with amount of RMB159,039,000 (2023: RMB1,200,000). The Bills have a maturity of one to six months at the end of the reporting period. The directors of the Company are of the opinion that the Group has transferred substantially all risks and rewards relating to the Bills. Accordingly, it has derecognised the full carrying amounts of the Bills and the associated liabilities.

All of bills receivables of the Group are with a maturity period of less than one year.

The Group's bills receivables are recognised as financial assets at FVTPL as the bills receivables are held for sale in accordance with HKFRS 9.

26 Prepayments, deposits and other receivables

	2024 RMB'000	2023 RMB'000
Prepayments for purchase of property, plant and equipment	165,621	285,719
Other prepayments	261,845	225,057
Deposits for other borrowings (Note 36)	144,807	181,164
Other deposits	114,869	137,878
Receivables from disposal of subsidiaries	100,882	163,438
Receivables from former subsidiaries	16,402	22,439
Receivables on disposal of a convertible bond	-	24,153
Other receivables	124,812	58,079
Deductible VAT (note (i))	1,398,546	1,450,985
Premium receivables for financial guarantee contracts	8,546	12,883
	<u>2,336,330</u>	<u>2,561,795</u>
Less: loss allowance (note (ii))	<u>(13,590)</u>	<u>(13,790)</u>
	<u>2,322,740</u>	<u>2,548,005</u>
Less: Non-current portion		
Prepayments for purchase of property, plant and equipment	165,621	285,719
Deposits for other borrowings	144,807	181,164
Other deposits and prepayments	38,321	41,825
Premium receivables for financial guarantee contracts	4,772	8,060
Deductible VAT (note (i))	1,044,892	1,109,953
	<u>1,398,413</u>	<u>1,626,721</u>
Less: loss allowance (note (ii))	<u>(5,600)</u>	<u>(5,600)</u>
Non-current portion classified under non- current assets	<u>1,392,813</u>	<u>1,621,121</u>
Current portion classified under current assets	<u>929,927</u>	<u>926,884</u>

26 Prepayments, deposits and other receivables (continued)

Notes:

- (i) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment
- (ii) The movements of the impairment loss are as follows:

	<i>Lifetime ECL (credit-impaired) 2024 RMB'000</i>	<i>Lifetime ECL (credit-impaired) 2023 RMB'000</i>
Continuing operations		
At 1 January	13,790	13,790
Impairment recognised during the year, net	-	-
Written-off	(200)	-
At 31 December	<u>13,590</u>	<u>13,790</u>

Details of impairment assessment of other receivables for the year ended 31 December 2024 are set out in Note 49(c).

27 Finance lease receivables

	<i>2024 RMB'000</i>	<i>2023 RMB'000</i>
Analysed for reporting purposes as:		
Current assets	48,066	50,293
Non-current assets	<u>177,746</u>	<u>269,816</u>
	<u>225,812</u>	<u>320,109</u>

During the year ended 31 December 2024, the Group entered into finance lease arrangements for certain of its machines and equipment. The period of finance leases entered into is ranged from 3 to 11 years.

27 Finance lease receivables (continued)

	Minimum lease payments		Present value of minimum lease payments	
	2024 RMB'000	2023 RMB'000	2024 RMB'000	2023 RMB'000
Finance lease receivables comprise:				
Within 1 year	62,452	69,897	48,066	50,293
1 to 2 years	60,594	71,047	48,984	53,549
2 to 5 years	136,944	193,882	123,487	165,182
Over 5 years	5,528	55,011	5,275	51,085
	265,518	389,837	225,812	320,109
Less: unrealised finance income	(39,706)	(69,728)	N/A	N/A
	225,812	320,109	225,812	320,109

During the year ended 31 December 2024, effective interest rates of the above finance leases range from 5.10% to 9.72% per annum (2023: 5.36% to 9.43%).

Finance lease receivables are secured over the machines and equipment leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

Details of impairment assessment of finance lease receivables for the year ended 31 December 2024 are set out in Note 49(c).

28 Loan receivables

	2024 RMB'000	2023 RMB'000
Variable-rate loan receivables	27,848	48,630
Analysed for reporting purposes as:		
Current assets	16,175	17,797
Non-current assets	11,673	30,833
	27,848	48,630

During the year ended 31 December 2024, the Group engaged in several sales and leaseback transactions as a buyer-lessor, in which the transfer of assets did not satisfy the requirements of HKFRS 15 to be accounted for as a sale from the point of the view of the lessee. Therefore, the Group recognised the transfer amount as loan receivables.

28 Loan receivables (continued)

The exposure of the Group's variable-rate loan receivables to interest rate risks and relevant contractual maturity dates are as follows:

	2024 RMB'000	2023 RMB'000
Variable-rate loan receivables		
Within 1 year	17,304	20,200
2 to 5 years	12,307	32,988
Over 5 years	-	220
	<u>29,611</u>	<u>53,408</u>
Less: unrealised finance income	<u>(1,763)</u>	<u>(4,778)</u>
	<u>27,848</u>	<u>48,630</u>

Details of impairment assessment of loan receivables for the year ended 31 December 2024 are set out in Note 49(c).

29 Inventories

	2024 RMB'000	2023 RMB'000
Raw materials	-	13,946
Work in progress	2,396	4,142
Spare parts and others	<u>16,821</u>	<u>28,207</u>
	<u>19,217</u>	<u>46,295</u>

The cost of inventories recognised as expense and included in profit or loss amounted to RMB76,301,000 (2023: RMB75,428,000).

30 Cash and cash equivalents

	2024 RMB'000	2023 RMB'000
Cash and bank balances	2,229,188	3,902,924
Less: Restricted deposits (note)	<u>(535,354)</u>	<u>(1,457,459)</u>
Cash and cash equivalents	<u>1,693,834</u>	<u>2,445,465</u>

30 Cash and cash equivalents (continued)

The Group's cash and cash equivalents denominated in foreign currencies, which are not respective entities' functional currencies, are set out below:

	2024 RMB'000	2023 RMB'000
Denominated in:		
- RMB	262	4,325
- HK\$	10,373	102
- US\$	461,476	420,020
	<u>472,111</u>	<u>424,447</u>

Note: As at 31 December 2024, the restricted deposits mainly represent bank acceptance bill deposits and electricity sale guarantee deposits.

As at 31 December 2024, the weighted average effective interest rate on the Group's bank balances is 0.15% per annum (2023: 0.20%).

31 Assets / liabilities of disposal subsidiaries classified as held for sale

In August 2024, the Group committed to a plan to sell its entire equity interests in three subsidiaries within the Power generation segment to a third party (the "Disposal"). On 15 January 2025, 17 January 2025 and 27 January 2025, the Group entered into agreements with ACWA Power (Shanghai) Renewable Energy Co., Ltd. ("ACWA Power"), an independent third party to the Group, pursuant to which the Group has agreed to dispose of its entire entity interest in Yilan County Concord Wind Power Generation Co., Ltd ("Yilan Concord"), Dachaidan Concord Wind Power Generation Co. Ltd ("Dachaidan Concord") and Tonghe County Juting New Energy Co., Ltd ("Tonghe New Energy") to ACWA Power at a consideration of RMB506,107,000, RMB65,000,000 and RMB636,241,000, respectively. The incomes from disposal of the entities will be determined based on the consideration, the net assets of the entities and intra-group balances in 2025.

Accordingly, the assets and liabilities attributable to these three subsidiaries, which are expected to be sold within twelve months, are classified as held for sale in the Group's consolidated statement of financial position.

(a) Impairment losses relating to the disposal subsidiaries

Impairment losses of RMB14,637,000 for write-downs of the disposal subsidiaries to the lower of its carrying amount and its fair value less costs to sell have been included in "other gains and losses, net" (see Note 9). The impairment losses have been applied to reduce the carrying amount of property, plant and equipment of the disposal subsidiaries.

31 Assets / liabilities of disposal subsidiaries classified as held for sale (continued)

(b) Assets and liabilities of disposal subsidiaries classified as held for sale

At 31 December 2024, the assets and liabilities attributable to these three disposal subsidiaries and interests in a joint venture were stated at the lower of their carrying amount and fair value less costs to sell and comprised the following items, which not including the intra-group balances.

	As at 31 December 2024 RMB'000
Property, plant and equipment	2,318,182
Deferred tax assets	4,567
Right-of-use assets	57,115
Intangible assets	50,470
Trade and bills receivables	11,750
Prepayments, deposits and other receivables	195,061
Cash and cash equivalents	59,952
Interests in a joint venture	80,818
Assets held for sale	2,777,915
Trade and bills payables	1,961
Payables for construction in progress, other payables and accruals	74,184
Amounts due to joint ventures	6,538
Current income tax liabilities	4,528
Bank borrowings	826,817
Other borrowings	1,627,788
Liabilities held for sale	2,541,816

(c) Cumulative income or expenses included in other comprehensive income

There are no cumulative income or expenses included in other comprehensive income relating to the disposal subsidiaries classified as held for sale.

(d) Measurement of fair values

The non-recurring fair value measurement for the disposal subsidiaries was based on the consideration negotiated between the Group and ACWA Power, which has been categorised as Level 1 fair value.

32 Trade and bills payables

	2024 RMB'000	2023 RMB'000
Trade payables	276,796	389,768
Bills payables	312,218	1,282,520
	<u>589,014</u>	<u>1,672,288</u>

As at 31 December 2024, retention payables in respect of construction contracts are included in trade payables with amount of RMB156,837,000 (2023: RMB207,197,000) which are normally repayable more than 1 year. The average credit period on purchase of goods is approximately one year (2023: one year).

As at 31 December 2024, the maturity date of bills payables was within 6 months (2023: within 6 and 12 months).

An ageing analysis of the trade payables based on invoice date is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	19,131	63,919
3 to 6 months	6,947	16,794
6 to 12 months	19,127	39,047
1 to 2 years	15,796	142,370
Over 2 years	215,795	127,638
	<u>276,796</u>	<u>389,768</u>

33 Payables for construction in progress, other payables and accruals

	2024 RMB'000	2023 RMB'000
Payables for construction in progress	2,350,537	3,128,579
Retention payables	726,168	759,860
Deposits received for disposals of subsidiaries	-	2,500
Payables for acquisition of a subsidiary (Note 43(d))	12,200	-
Other payables and accruals	193,366	244,148
	<u>3,282,271</u>	<u>4,135,087</u>
Less: balances repayable after one year and shown under non-current liabilities	<u>(730,050)</u>	<u>(1,050,671)</u>
Current portion classified under current liabilities	<u>2,552,221</u>	<u>3,084,416</u>

34 Contract liabilities

	2024 RMB'000	2023 RMB'000
Construction contracts		
- Billings in advance of performance	<u>25,029</u>	<u>52,496</u>

35 Bank borrowings

	2024 RMB'000	2023 RMB'000
Secured	5,304,065	3,287,663
Unsecured	<u>430,492</u>	<u>494,649</u>
Total bank borrowings	<u>5,734,557</u>	<u>3,782,312</u>

The secured bank borrowings are secured by certain buildings and power plant equipment of the Group (Note 18), cash receipts from the sale of electricity by certain of the Group's power plants (Note 25) and certain equity interests in subsidiaries.

Certain of the Group's banking facilities are subject to the fulfilment of covenants (Note 49(b)). If the Group were to breach the covenants, the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. As at 31 December 2024, none of the covenants relating to drawn down facilities had been breached (2023: nil).

The carrying amounts of bank borrowings are repayable as follows*:

	2024 RMB'000	2023 RMB'000
Within 1 year	924,967	973,253
Between 1 and 2 years	393,437	345,838
Between 2 and 5 years	1,253,810	737,722
Over 5 years	<u>3,162,343</u>	<u>1,725,499</u>
	5,734,557	3,782,312
Less: Amounts due within one year shown under current liabilities	<u>(924,967)</u>	<u>(973,253)</u>
Amounts shown under non-current liabilities	<u>4,809,590</u>	<u>2,809,059</u>

* The above amounts due are based on scheduled repayment dates set out in the respective loan agreements.

35 Bank borrowings (continued)

The interest rate risk exposure of the Group's bank borrowings are as follows:

	2024 RMB'000	2023 RMB'000
Fixed rate bank borrowings	195,396	329,499
Variable rate bank borrowings	<u>5,539,161</u>	<u>3,452,813</u>
	<u>5,734,557</u>	<u>3,782,312</u>

The ranges of effective interest rates on the Group's bank borrowings are as follows:

	2024 RMB'000	2023 RMB'000
Effective interest rate:		
Variable rate bank borrowings	2.20%-5.00%	2.20% - 5.62%
Fixed rate bank borrowings	<u>2.60%-3.95%</u>	<u>2.60% - 4.49%</u>

The fair values of bank borrowings are estimated using discounted cash flow calculations based on the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debts. The carrying amounts of non-current bank borrowings approximate their fair values at each end of the reporting period.

36 Other borrowings

	2024 RMB'000	2023 RMB'000
Analysed for reporting purposes as:		
Current liabilities	1,167,151	895,844
Non-current liabilities	<u>9,296,012</u>	<u>11,856,855</u>
	<u>10,463,163</u>	<u>12,752,699</u>

During the year, the Group has entered into agreements (the “Agreements”) with certain PRC financial institutions (the “Financial Institutions”) and the Group drew down RMB3,124,024,000 (2023: RMB5,363,406,000) in aggregate from the Financial Institutions of which RMB810,260,000 (2023: RMB579,800,000) was received in the form of bank-acceptance bills. Such borrowings are to be repayable in 2025 to 2041 with variable interest rate ranging from 3.50% to 4.30% per annum (2023: ranging from 4.00% to 5.19% per annum).

The collaterals for other borrowings are as follow:

- (i) The Group transferred certain ownership titles of certain property, plant and equipment to the Financial Institutions.
- (ii) The Group entered into financial guarantee contracts in favor of the Financial Institutions for the due performance of the Group’s obligations under the Agreements.
- (iii) Upon the discharging all the Group’s obligations under the Agreements, the Financial Institutions will return those ownership titles of property, plant and equipment to the Group for nominal considerations. Despite the Agreements involved a legal form of a lease, the Group accounted for the Agreements as collateralised borrowing in accordance with the actual substance of the Agreements.
- (iv) An aggregate amount of security deposits of RMB214,137,000 placed with the Financial Institutions as at 31 December 2024 (2023: RMB250,494,000), of which RMB69,330,000 could be offset with certain repayment instalments as agreed with the Financial Institutions (2023: RMB69,330,000).
- (v) Other borrowings are secured by certain equity interests in subsidiaries with an aggregated amount of RMB 2,927,380,000 as at 31 December 2024 (2023: RMB3,731,054,000).

The carrying amounts of other borrowings are repayable as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	1,167,151	895,844
Between 1 and 2 years	975,764	1,301,638
Between 2 and 5 years	2,551,230	1,018,930
Over 5 years	<u>5,769,018</u>	<u>9,536,287</u>
	<u>10,463,163</u>	<u>12,752,699</u>

37 Lease liabilities

At 31 December, the lease liabilities were repayable as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year or on demand	33,561	21,821
Between 1 and 2 years	32,145	18,440
Between 2 and 5 years	57,846	33,142
Over 5 years	328,552	83,904
	452,104	157,307
Less: Amount due for settlement with 12 months shown under current liabilities	(33,561)	(21,821)
Amount due for settlement after 12 months shown under non-current liabilities	418,543	135,486

38 Income tax in the consolidated statement of financial position

(a) Tax payable in the consolidated statement of financial position represents:

	2024 RMB'000	2023 RMB'000
Net tax payable at 1 January	138,000	101,719
Provision for the year from continuing operations (Note 15)	50,282	197,407
Provision for the year from discontinued operation (Note 5)	-	15,174
Reclassifications to liabilities held for sale (Note 31(b))	(4,528)	-
Income tax paid	(133,114)	(176,300)
Net tax payable at 31 December	50,640	138,000

(b) Deferred taxation

Reconciliation to the consolidated statement of financial position is as follows:

	2024 RMB'000	2023 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	61,266	47,268
Net deferred tax liabilities recognised in the consolidated statement of financial position	(20,052)	(57,722)
	41,214	(10,454)

38 Income tax in the consolidated statement of financial position (continued)

The movements in deferred tax assets and liabilities during the year are as follows:

	Accumulated deductible loss RMB'000	Unrealised inter-companies gains RMB'000	Lease liabilities RMB'000	Intra-group transactions RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2023	8,875	30,611	-	(93,522)	-	(54,036)
Credited/(debited) to the profit or loss (Note 15)	-	7,459	12,644	36,239	(12,760)	43,582
At 31 December 2023 and 1 January 2024	8,875	38,070	12,644	(57,283)	(12,760)	(10,454)
Credited/(debited) to the profit or loss (Note 15)	-	21,184	54,920	37,034	(54,053)	59,085
Reclassifications to Assets held for sale(Note 31(b))	-	(4,567)	-	-	-	(4,567)
Disposal of subsidiaries (Note 43(b))	-	(2,850)	-	-	-	(2,850)
At 31 December 2024	8,875	51,837	67,564	(20,249)	(66,813)	41,214

At 31 December 2024, the Group had tax losses of RMB311,911,000 (2023: RMB307,897,000) arose in Chinese Mainland that can be carried forward to set off against future taxable income which will expire within 1 to 5 years. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

38 Income tax in the consolidated statement of financial position (continued)

Such cumulative tax losses will be carried forward and expire in year as follows:

	2024 RMB'000	2023 RMB'000
2024	-	54,703
2025	10,675	19,502
2026	42,707	44,223
2027	45,355	68,011
2028	102,773	121,458
2029	110,401	-
Total unused tax losses	311,911	307,897

At 31 December 2024, the Group had estimated unused tax losses of RMB692,835,000 (2023: RMB660,168,000), subject to the agreement of the Inland Revenue Department of Hong Kong, arose in Hong Kong available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

The deferred tax liabilities recognised relate to temporary differences arising from intra-group transactions including the unremitted earnings of joint ventures and associates and the intercompany interest payables from certain PRC subsidiaries to overseas subsidiaries.

As at 31 December 2024, deferred tax liabilities of RMB279,320,000 (2023: RMB270,465,000) have not been recognised for the withholding tax that would be payable on the undistributed retained earnings of subsidiaries of the Group, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

39 Deferred government grants

Government grants are received from the PRC government by the Group in form of financial subsidies for the promotion of the development of renewable energy and investments in the PRC. Government grants from the PRC governments are recognised as deferred income over 20 years based on the expected useful lives of the relevant non-current assets including property, plant and equipment invested in certain areas in the PRC.

39 Deferred government grants (continued)

The movements in deferred government grant during the year are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	4,516	4,865
Government grants obtained during the year	100	-
Credited to profit or loss during the year	(355)	(349)
At 31 December	4,261	4,516

40 Financial guarantee contract liabilities

	2024 RMB'000	2023 RMB'000
Current	3,774	4,823
Non-current	4,772	8,060
	8,546	12,883

In previous year, the Group disposed its 75% equity interests in certain wholly-owned subsidiaries to independent third parties, and retained the remaining 25% equity interests as interests in associates. Financial guarantees were provided by the Group to certain leasing companies for the associates' finance lease arrangements. In return, these associates shall pay premium to the Group at 2% of the outstanding debt balance under the finance lease arrangements.

In 2023, the Group disposed of partial shareholding interests in Century Concord O&M and the Group's interest in Century Concord O&M is accounted for as a joint venture after the disposal. Financial Guarantees were provided by the Group to the banks for the joint venture's indebtedness and performance guarantees were provided by the Group to a third-party power company for the joint venture's service agreement, under which, the power plants of the third-party power company operated and maintained by the joint venture shall achieve a specified annual power generation capacity, failing which the Group shall be liable to the third-party power company under the performance guarantee to pay to the third-party power company a penalty representing the shortfall in the power generation capacity multiplied by the agreed price of each unit of power generated. Furthermore, the joint venture has provided the counter-guarantee to the Group to compensate any loss of the Group under the financial guarantees and the performance guarantee as mentioned above, respectively. In return, the joint venture shall pay premium to the Group at 1.5% of the outstanding debt balance under the bank loan arrangements.

The Group has recognised its financial guarantee contract liabilities and corresponding premium receivables based on the fair value of the guarantees provided, equal to the present value of the premium to be received within the leases term.

40 Financial guarantee contract liabilities (continued)

As at 31 December 2024, the aggregated amount of guarantees was RMB469,789,000 (2023: RMB448,485,000), which represented the amounts (including principal and interests) that could be required to be paid if guarantees were called upon in entirety, of which RMB252,070,000 had been utilised by the associates as at 31 December 2024 (2023: RMB311,269,000).

41 Capital and reserves

(a) Share capital

Ordinary shares issued of HK\$0.01 each:

	No. of shares 000's shares	Nominal value RMB'000
As at 1 January 2023	8,975,469	77,443
Cancellation of ordinary shares (note (i))	(530,750)	(4,845)
As at 31 December 2023	8,444,719	72,598
Cancellation of ordinary shares (note (i))	(462,680)	(4,208)
As at 31 December 2024	7,982,039	68,390

Note

- (i) During the year ended 31 December 2024, the Group repurchased a total of 138,480,000 ordinary shares of the Company from the market for a total consideration of RMB68,117,000. 462,680,000 ordinary shares of the Company with total par value of RMB4,208,000 were cancelled, the related costs of repurchase were RMB254,067,000 and the exceed of costs of repurchase over the par value of the shares of RMB249,859,000 was charged to share premium.

During the year ended 31 December 2023, the Group repurchased a total of 509,560,000 ordinary shares of the Company from the market for a total consideration of RMB301,001,000. 530,750,000 ordinary shares of the Company with total par value of RMB4,845,000 were cancelled, the related costs of repurchase were RMB314,731,000 and the exceed of costs of repurchase over the par value of the shares of RMB309,886,000 was charged to share premium.

41 Capital and reserves (continued)

(b) Treasury shares

As at 31 December 2024, 75,650,000 ordinary shares are held as treasury shares (2023: 420,750,000 shares).

	No. of shares for the purpose of share award schemes 000's shares	No. of shares for the purpose of cancellation 000's shares	Total 000's shares
As at 1 January 2023	150,350	345,390	495,740
Repurchased during the year	-	509,560	509,560
Cancellation of ordinary shares	-	(530,750)	(530,750)
Vested during the year (Note 42)	(53,800)	-	(53,800)
As at 31 December 2023	96,550	324,200	420,750
Repurchased during the year	-	138,480	138,480
Cancellation of ordinary shares	-	(462,680)	(462,680)
Vested during the year (Note 42)	(20,900)	-	(20,900)
As at 31 December 2024	75,650	-	75,650

Treasury shares for the purpose of share award schemes

During the year ended 31 December 2015, 151,500,000 ordinary shares were repurchased from market at a price of approximately HK\$0.55 per share for a total consideration of RMB66,572,000. And the treasury shares are held for the purpose of the Group's share award scheme (the "Scheme"), of which:

- (i) The directors of the Company approved an aggregate number of 61,700,000 shares under such scheme were granted to the relevant participants of the scheme and all of these shares have been vested to the relevant participants of the scheme up to 31 December 2018.
- (ii) On 4 April 2019, the board of directors of the Company approved to grant an aggregate number of 33,000,000 shares under such scheme to two directors. 8,250,000 shares were vested on 15 February 2020, 15 February 2021, 15 February 2022 and 15 February 2023, respectively (see Note 42).
- (iii) On 22 April 2019, the board of directors of the Company approved a special share award scheme of 6,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 26 April 2019.
- (iv) On 29 April 2020, the board of directors of the Company approved a special share award scheme of 4,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 30 April 2020.
- (v) On 18 October 2021, the board of directors approved to grant an aggregate number of 14,000,000 shares under the Scheme to two directors. 3,500,000 shares were vested on 15 February 2022, 3,500,000 shares were vested on 15 February 2023 and 3,500,000 shares were vested on 15 February 2024 (see Note 42).

41 Capital and reserves (continued)

- (vi) On 21 April 2022, the board of directors of the Company approved a special share award scheme of 3,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 10 May 2022.
- (vii) On 23 April 2023, the board of directors of the Company approved a special share award scheme of 5,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 24 April 2023 (see Note 42).
- (viii) On 15 March 2024, the board of directors of the Company approved a special share award scheme of 3,000,000 shares to be awarded to employees of the Group and all of these shares were vested on 15 April 2024 (see Note 42).

On 2 April 2019, the board of directors of the Company resolved to grant an aggregate number of 113,000,000 shares under the Scheme to the employees of the Company.

- (i) During the year ended 31 December 2019, 113,000,000 ordinary shares were issued for the purpose of the Group's share award scheme, of which: 28,250,000 shares were vested on 15 February 2020, 24,750,000 shares were vested on 15 February 2021, 23,150,000 shares were vested on 15 February 2022 and 22,650,000 shares were vested on 15 February 2023 (see Note 42).

On 15 October 2021, the board of directors of the Company resolved to grant an aggregate number of 59,100,000 shares under the Scheme to the employees of the Company.

- (i) During the year ended 31 December 2022, 57,600,000 ordinary shares were issued for the purpose of the Group's share award scheme. 14,400,000 shares were vested on 15 February 2022, 14,400,000 shares were vested on 15 February 2023 and 14,400,000 shares were vested on 15 February 2024 (see Note 42).

(c) Contributed surplus

Contributed surplus represented the excess of the fair value of the shares of the former holding company acquired pursuant to the group reorganisation in prior years, over the nominal value of the Company's shares issued in exchange thereof.

(d) Other reserves

Other reserves mainly represent share-based payments reserves and included share-based compensations recognised of which the related share options have forfeited after the vesting date or were still not exercised at the expiry date.

(e) Retained earnings

Pursuant to the relevant laws in the PRC, each of the subsidiaries established in the PRC is required to allocate 10% of its profit after tax to the statutory reserves fund until such fund reaches 50% of the subsidiaries' registered capital. The statutory reserves fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the subsidiaries, provided that such fund is maintained at a minimum of 25% of the subsidiaries' registered capital. As at 31 December 2024, retained earnings of the Group comprised statutory reserves fund amounting to RMB2,617,901,000 (2023: RMB2,230,522,000).

42 Share award schemes

According to the share award scheme approved on 15 June 2015 by the board of directors of the Company, under which a part of shares of the Company will be awarded to the Group's employees as an incentive (the "Scheme").

- (a) On 4 April 2019, the board of directors approved to grant an aggregate number of 33,000,000 shares under the Scheme to two directors of the Company.

On 2 April 2019, the board of directors of the Company resolved to grant 113,000,000 new awarded shares to not less than 30 selected persons by way of allocate and issue of the new awarded shares pursuant to the specific mandate, out of which (a) 55,600,000 connected new awarded shares will be granted to 12 connected grantees by way of allocating and issue of new shares pursuant to the specific mandate and (b) 57,400,000 non-connected new awarded shares will be granted to not less than 18 non-connected grantees. The resolution was adopted by the special general meeting of shareholders on 20 June 2019.

The vesting dates of the above aggregate 146,000,000 award shares are as follows:

On 15 February 2020 (or in the event that 15 February 2020 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2021 (or in the event that 15 February 2021 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)	25%

The fair value of the 146,000,000 shares awarded on the grant date was valued at HK\$0.3236 to HK\$0.3510 each share.

- (b) On 18 October 2021, the board of directors approved to grant an aggregate number of 14,000,000 shares under the Scheme to two directors.

On 15 October 2021, the board of directors of the Company resolved to grant 59,100,000 new awarded shares to 37 selected persons by way of allocating and issue of the new awarded shares pursuant to the specific mandate, out of which (a) 31,900,000 connected new awarded shares will be granted to 15 connected grantees by way of allocating and issue of new shares pursuant to the specific mandate and (b) 27,200,000 non-connected new awarded shares will be granted to 22 non-connected grantees. The resolution was adopted by the special general meeting of shareholders on 15 December 2021.

42 Share award schemes (continued)

The vesting dates of the above aggregate 73,100,000 award shares are as follows:

On 15 February 2022 (or in the event that 15 February 2022 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2023 (or in the event that 15 February 2023 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2024 (or in the event that 15 February 2024 is not a Business Day, the first Business Day thereafter)	25%
On 15 February 2025 (or in the event that 15 February 2025 is not a Business Day, the first Business Day thereafter)	25%

The fair value of the 73,100,000 shares awarded on the grant date was valued at HK\$0.6950 to HK\$0.7876 each share.

17,900,000 shares were vested on 15 February 2024 and 3,000,000 shares were vested on 15 April 2024. The relevant fair value of the vested shares of RMB12,979,000 was released from other reserves to eliminate the related cost of treasury shares of RMB2,979,000. The difference of RMB10,000,000 was credited to share premium.

Movements in the number of awarded shares during the year are as follows:

	<i>Number of shares</i>	
	2024	2023
As at 1 January	35,800,000	85,100,000
Granted during the year	3,000,000	5,000,000
Vested during the year	(20,900,000)	(53,800,000)
Forfeited during the year	(250,000)	(500,000)
As at 31 December	<u>17,650,000</u>	<u>35,800,000</u>

The Group recognised total expenses of RMB5,815,000 (2023: RMB13,377,000) for the year ended 31 December 2024 in relation to the share award schemes.

43 Notes to the consolidated statement of cash flows

(a) Cash generated from operations

	Note	2024 RMB'000	2023 RMB'000
Profit before income tax		866,772	1,157,749
- Continuing operations		866,772	1,048,633
- Discontinued operation		-	109,116
Adjustments for:			
Finance costs		683,945	650,821
Interest revenue		(41,289)	(31,047)
Depreciation of property, plant and equipment		820,612	674,225
Depreciation of right-of-use assets		72,019	58,842
Amortisation of other intangible assets	20	97	97
Release of deferred government grants	39	(355)	(349)
Impairment loss recognised on trade receivables		702	1,828
Impairment losses on remeasurement of the disposal subsidiaries		14,637	-
Fair value changes in financial assets at FVTPL		(16,287)	(144)
Share-based compensations	42	5,815	13,377
Share of profit of associates, net		(11,152)	(16,639)
Share of profit of joint ventures, net		(166,503)	(172,836)
Gain on disposal/liquidation of subsidiaries, net		(32,202)	(482,026)
Gain on disposal an associate, net	9	-	(62)
Exchange loss/(gain), net	9	144	(6,346)
Loss/(gain) on disposal of property, plant and equipment		1,839	(2,558)

43 Notes to the consolidated statement of cash flows (continued)

	2024 RMB'000	2023 RMB'000
Operating profit before working capital changes:	2,198,794	1,844,932
Increase in inventories	(106,474)	(26,499)
Increase in trade and bills receivables	(436,108)	(399,409)
Increase in prepayments, deposits and other receivables	(2,221)	(359,053)
Decrease in contract assets	37,360	86,697
Decrease in loan receivables	20,782	12,957
Decrease/(increase) in finance lease receivables	94,297	(122,517)
(Increase)/decrease in amounts due from associates	(2,350)	33,631
Increase in amounts due from joint ventures	(1,166)	(125,364)
Increase in deferred government grants	100	-
Increase in trade and bills payables	421,295	478,897
Increase in other payables and accruals	104,123	306,192
Decrease in contract liabilities	(27,467)	(6,829)
Increase in amounts due to joint ventures	22,974	35,418
Decrease in amounts due to associates	-	(2,119)
Cash generated from operations	2,323,939	1,756,934

43 Notes to the consolidated statement of cash flows (continued)

(b) Disposal/liquidation of subsidiaries

During the year ended 31 December 2024, the Group disposed certain equity interests in its subsidiaries to independent third parties and an associate with the net gain on disposal/liquidation of subsidiaries as follows:

	2024 RMB'000	2023 RMB'000
Consideration and subsequent adjustment: Disposal of subsidiaries	247,327	470,590
Less: Carrying amounts of net assets of subsidiaries disposed of:		
Right-of-use assets	25,775	61,477
Property, plant and equipment	457,659	1,251,556
Interests in associates	-	6,900
Inventories	133,552	39,400
Trade and bills receivables	308,310	351,738
Contract assets	-	3,856
Prepayments deposits and other receivables	55,602	272,041
Amounts due from associates	-	1,433
Amounts due from joint ventures	-	8,224
Deferred tax assets	2,850	-
Cash and cash equivalents	272,814	161,116
Other borrowings	(334,374)	(1,262,178)
Bank borrowings	-	(153,531)
Trade payables	(532,306)	(69,179)
Amounts due to associates	-	(351)
Other payables and accruals	(103,825)	(254,658)
Lease liabilities	(42,405)	(10,036)
Non-controlling interests	-	(35,503)
	243,652	372,305
Realised profits on transactions between the Group and these subsidiaries	15,042	92,470
Fair value of interests retained as joint ventures	19,215	363,364
Goodwill released upon disposal (Note 20 (a))	(5,730)	(72,093)
Gain on disposal/liquidation of subsidiaries, net (Note 9)	32,202	482,026

43 Notes to the consolidated statement of cash flows (continued)

Net cash inflow arising on the disposal and liquidation:

	2024 RMB'000	2023 RMB'000
Consideration received	216,838	406,516
Cash and cash equivalents derecognised from the consolidated financial statements	(272,814)	(161,116)
	(55,976)	245,400
Net cash inflow for consideration of prior year's disposals during the current year	108,088	53,247
	52,112	298,647

(c) Disposal of property, plant and equipment

An analysis of the cash proceeds from the disposal of property, plant and equipment is as follows:

	2024 RMB'000	2023 RMB'000
Net carrying amount	7,534	12,134
(Loss) / gain on disposal of property, plant and equipment	(1,839)	2,558
Consideration for the disposal	5,695	14,692
Consideration not yet received and recorded in other receivables	-	-
Net cash proceeds received	5,695	14,692

43 Notes to the consolidated statement of cash flows (continued)

(d) Acquisition of a subsidiary

On 4 September 2024, the Group acquired 100% equity interest in one entity, engaged in operation of hotel, from three individuals independent to the Group.

An analysis of the cash flows in respect of the above-mentioned acquisition is as follows:

	Total RMB'000
Fair value of identifiable net assets	49,500
Total consideration	49,500
Less: Payables for acquisitions of a subsidiary	<u>(12,200)</u>
Total consideration paid in cash	37,300
Less: Cash and cash equivalents in the subsidiary acquired	<u>(13,555)</u>
	<u>23,745</u>

Goodwill arising from the acquisition has been recognised as follows:

	Total RMB'000
Consideration transferred	49,500
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities	-
Fair value of pre-existing interest	-
Fair value of identifiable net assets	<u>(49,500)</u>
Goodwill	<u>-</u>

The acquisition-related costs were charged directly to consolidated statement of profit or loss for the year ended 31 December 2024. From the acquisition date to 31 December 2024, the acquired subsidiary contributed total revenue of RMB770,000 and net loss of RMB1,638,000.

44 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings (Note 35) RMB'000	Other borrowings (Note 36) RMB'000	Lease liabilities (Note 37) RMB'000	Total RMB'000
At 1 January 2024	3,782,312	12,752,699	157,307	16,692,318
Changes from financing cash flows:				
Proceeds from bank borrowings	4,131,011	-	-	4,131,011
Repayment from bank borrowings	(1,359,580)	-	-	(1,359,580)
Proceeds from other borrowings	-	2,313,764	-	2,313,764
Repayment of other borrowings	-	(3,470,399)	-	(3,470,399)
Repayment of lease liabilities	-	-	(31,972)	(31,972)
Interest paid	(194,355)	(497,528)	(16,364)	(708,247)
Addition of lease liabilities	-	-	366,371	366,371
Exchange differences	3,256	-	775	4,031
Disposal/liquidation of subsidiaries	-	(334,374)	(42,405)	(376,779)
Bills received	-	810,260	-	810,260
Reclassifications to liabilities held for sale (Note 31(b))	(826,817)	(1,627,788)	-	(2,454,605)
Interest expenses (Note 13)	198,730	516,529	18,392	733,651
At 31 December 2024	5,734,557	10,463,163	452,104	16,649,824

44 Reconciliation of liabilities arising from financing activities (continued)

	Bank borrowings (Note 35) RMB'000	Other borrowings (Note 36) RMB'000	Senior notes RMB'000	Lease liabilities (Note 37) RMB'000	Total RMB'000
At 1 January 2023	2,264,927	11,056,216	618,905	112,250	14,052,298
Changes from financing cash flows:					
Proceeds from bank borrowings	3,115,298	-	-	-	3,115,298
Repayment from bank borrowings	(1,455,713)	-	-	-	(1,455,713)
Proceeds from other borrowings	-	4,783,606	-	-	4,783,606
Repayment of other borrowings	-	(2,402,934)	-	-	(2,402,934)
Repayment of lease liabilities	-	-	-	(17,423)	(17,423)
Repayment of senior notes	-	-	(618,453)	-	(618,453)
Interest paid	(121,145)	(563,602)	(35,322)	(13,375)	(733,444)
Addition of lease liabilities	-	-	-	73,735	73,735
Exchange differences	11,069	-	(183)	1,031	11,917
Disposal/liquidation of subsidiaries	(153,531)	(1,262,178)	-	(10,036)	(1,425,745)
Bills received	-	579,800	-	-	579,800
Interest expenses (Note 13)	121,407	561,791	35,053	11,125	729,376
At 31 December 2023	3,782,312	12,752,699	-	157,307	16,692,318

45 Major non-cash transactions

- (a) During the year ended 31 December 2024, the Group entered into financing arrangements with the Financial Institutions in respect of property, plant and equipment and drew down an aggregate amount of RMB3,124,024,000 (2023: RMB5,363,406,000) from the Financial Institutions, of which RMB810,260,000 (2023: RMB579,800,000) was received in the form of bills. Further details of the financing arrangements are set out in Note 36.
- (b) During the year, the Group settled certain payables in the form of bills amounted to RMB1,415,677,000 (2023: RMB1,279,504,000).

46 Commitments

Capital expenditure:

	2024 RMB'000	2023 RMB'000
Contracted for but not provided in these consolidated financial statements:		
Property, plant and equipment	<u>2,680,010</u>	<u>2,889,393</u>

Investment commitments:

As at 31 December 2024 and 2023, the Group has no investment commitments.

47 Related party transactions

- (a) ***Save as disclosed elsewhere in these consolidated financial statements, the following material transactions were carried out by the Group with related parties during the year:***

	2024 RMB'000	2023 RMB'000
Provision of services and sales of goods to associates and joint ventures (note (i))	13,083	34,802
Guarantee income and interest income from associates and a joint venture (note (ii))	13,612	8,625
Finance lease income of associates and a joint venture (note (iii))	4,429	3,180
Services received from a joint venture	154,873	34,462

Notes:

- (i) The terms and conditions of sales of goods and provision of services were mutually agreed by both parties.
- (ii) Further details of these guarantees are set out in Note 40.
- (iii) Finance lease income arose from associates and a joint venture with interest rate ranging from 5.3% to 8.5% per annum during the year.

(b) ***Key management compensation***

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The total remuneration of the key management personnel is shown below:

	2024 RMB'000	2023 RMB'000
Salaries and other short-term employee benefits	50,911	45,741
Share-based compensation	2,891	6,869
	<u>53,802</u>	<u>52,610</u>

(c) ***Applicability of the Listing Rules relating to connected transactions***

The related party transactions in Note 47(a) above include connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. These transactions are also disclosed in the Report of the Directors as required by Chapter 14A of the Listing Rules.

48 Categories of financial instruments

The carrying amounts of each of the categories of financial instruments at the end of each reporting period are as follows:

	2024 RMB'000	2023 RMB'000
Financial assets		
Fair value through profit or loss	340,715	228,630
Amortised cost	<u>4,574,415</u>	<u>6,212,949</u>
Financial liabilities		
Amortised cost	20,069,005	22,342,386
Financial guarantee contract liabilities (Note 40)	<u>8,546</u>	<u>12,883</u>

49 Financial risk management objectives and policies

The Group's activities exposed it to a variety of financial risks. The management periodically analyses and reviews measures to manage its exposure to market risk (including foreign exchange risk, cashflow and fair value interest rate risk and other price risk), liquidity risk and credit risk. Generally, the Group applies a conservative strategy regarding its risk management and has not used any derivatives or other instruments for hedging purposes.

As at 31 December 2024, the Group's major financial instruments include trade and bills receivables, deposits and other receivables, financial assets at FVTPL, loans receivable, financial lease receivables, and account balances with associates and joint ventures, cash and cash equivalents, restricted deposits, trade and bills payables, lease liabilities, payables for construction in progress, other payables and accruals, bank borrowings, and other borrowings. Details of these financial instruments are disclosed in respective notes.

49 Financial risk management objectives and policies (continued)

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises from monetary assets and liabilities denominated in foreign currencies.

The Group operates mainly in Singapore, the PRC, North America and Hong Kong. Majority of revenue and cost of goods sold and operations are denominated in Renminbi ("RMB"). Almost all of the revenue and costs are denominated in the group entities' respective functional currencies.

The Group is exposed to foreign currency risk primarily with respect to the changes of exchange rate of US\$ and HK\$, which is pegged with US\$, against RMB, which is the functional currency of most of the Group's operating subsidiaries. As at 31 December 2024, recognised assets that are denominated in a currency that is not the entities' functional currency include cash and cash equivalents (see Note 30).

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in RMB to US\$/HK\$ exchange rates ("RMB - US\$/HK\$"), with all other variables held constant, of the Group's profit after tax due to changes in the carrying value of monetary assets and liabilities.

	2024 Increase/ (decrease) in profit after tax RMB'000	2023 Increase/ (decrease) in profit after tax RMB'000
RMB - US\$/HK\$		
Appreciation of RMB by 5%	(23,573)	(15,545)
Depreciation of RMB by 5%	<u>23,573</u>	<u>15,545</u>

(ii) Cashflow and fair value interest rate risk

Cashflow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate as it is issued at fixed interest rates.

The Group's cashflow interest rate risk arises from bank balances, loans to joint ventures, bank borrowings and other borrowings. Borrowings issued at variable rates expose the Group to cashflow interest rate risk which is partially offset by bank balances held at variable rates.

49 Financial risk management objectives and policies (continued)

The Group's exposure to the risk of changes in market interest rates relates primarily due to the Group's bank balances, interest-bearing bank borrowings and interest-bearing other borrowings with a floating interest rate. The effective interest rates and terms of repayment of the interest-bearing bank borrowings and other borrowings of the Group are disclosed in Note 35 and Note 36, respectively. No sensitivity analysis has been presented for the exposure to interest rates for bank balances as the directors of the Company consider that, taking into account that the fluctuation in interest rates on bank balances is minimal, the impact of profit or loss both for the current and prior years is insignificant.

The following analysis demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rates for floating rate bank borrowings and other borrowings, with all other variables held constant.

If interest rates had been 50 basis points (2023: 50 basis points) higher/lower and all other variables were held constant, the Group's profit after tax for the year ended 31 December 2024 would have decreased/increased by RMB70,997,000 (2023: RMB71,030,000).

The above sensitivity analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

As at 31 December 2024, the Group is exposed to fair value interest rate risk in relation to financial assets at FVTPL. No sensitivity analysis has been presented as the directors of the Company consider that the impact to profit or loss for both the current and prior years is insignificant.

(iii) Other price risk

The Group is exposed to other price risk because the fair value of certain financial assets at fair value through profit or loss are measured by reference to quoted prices. Details of the financial assets at fair value through profit or loss are set out in Note 23.

The Group currently does not have a policy to hedge the other price risk. However, the management closely monitors such risk by maintaining a portfolio of investments with different risks.

(b) Liquidity risk

The Group monitors and maintains a level of cash reserves and banking facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows and match maturity profiles of financial assets and liabilities. In addition to the currently available facilities, the management of the Group expects that further banking facilities will be available by pledging those newly - completed power plant equipment.

As disclosed in Note 35, certain of the Group's banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested at any time throughout the loan term, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. Information about the covenants for those bank loans classified as non-current at the end of the reporting period is set out below:

49 Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Carrying amount		Covenants	Timing to comply with the covenants
2024	2023		
RMB'000	RMB'000		
592,000	588,000	(i) Total debt to total asset ratio shall be less than 85%; (ii) Current ratio shall be higher than 50%; (iii) Contingent liabilities to net assets ratio shall be less than 30%; and (iv) Long-term investment to net assets ratio shall be less than 30%.	At any time throughout the loan term
449,664	408,790	(i) Total debt to total asset ratio shall be less than 80%; (ii) Current ratio shall be higher than 33%; (iii) Contingent liabilities to net assets ratio shall be less than 30%; and (iv) Long-term investment to net assets ratio shall be less than 30%.	At any time throughout the loan term
213,115	196,800	Total debt to total asset ratio shall be less than 80%.	At any time throughout the loan term
365,100	395,000	(i) Total debt to total asset ratio shall be less than 80%; and (ii) Current ratio shall be higher than 80%.	At any time throughout the loan term
270,000	-	(i) Total debt to total asset ratio shall be less than 80%; and (ii) Current ratio and quick ratio shall be higher than 80%.	At any time throughout the loan term
169,140	-	Total debt to total asset ratio shall be less than 85%.	At any time throughout the loan term
100,000	-	Total debt to total asset ratio shall be less than 80%.	At any time throughout the loan term
<u>2,159,019</u>	<u>1,588,590</u>		

49 Financial risk management objectives and policies (continued)

The table below analyses the financial liabilities of the Group into relevant maturity groups based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities based on earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

As at 31 December 2024

	Weighted average effective interest rate	On demand or less than 6 months RMB'000	6 to 12 months RMB'000	1 to 2 years RMB'000	Over 2 years RMB'000	Total undiscounted cashflows RMB'000	Total carrying amount RMB'000
Trade and bills payables	N/A	338,296	250,718	-	-	589,014	589,014
Payables for construction in progress, other payables and accruals	N/A	1,900,840	651,381	399,724	330,326	3,282,271	3,282,271
Amounts due to joint ventures	N/A	18,953	31,706	1,196	155	52,010	52,010
Amounts due to associates	N/A	-	-	70	-	70	70
Bank borrowings	2.20%-5.00%	564,550	681,973	569,548	5,376,114	7,192,185	5,734,557
Other borrowings	3.50%-4.30%	780,413	819,477	1,102,813	9,985,015	12,687,718	10,463,163
Lease liabilities	3.10%-6.61%	27,543	24,533	49,878	550,754	652,708	452,104
		3,630,595	2,459,788	2,123,229	16,242,364	24,455,976	20,573,189
Financial guarantee issued							
Maximum amount guaranteed (Note 40)	N/A	469,789	-	-	-	469,789	8,546

49 Financial risk management objectives and policies (continued)

As at 31 December 2023

	Weighted average effective interest rate	On demand or less than 6 months RMB'000	6 to 12 months RMB'000	1 to 2 years RMB'000	Over 2 years RMB'000	Total undiscounted cashflows RMB'000	Total carrying amount RMB'000
Trade and bills payables	N/A	1,346,955	325,333	-	-	1,672,288	1,672,288
Payables for construction in progress, other payables and accruals	N/A	2,347,445	736,971	402,766	647,905	4,135,087	4,135,087
Amounts due to joint ventures	N/A	35,574	-	-	-	35,574	35,574
Amounts due to associates	N/A	70	-	-	-	70	70
Bank borrowings	2.20% - 5.62%	632,529	431,229	406,932	3,035,085	4,505,775	3,782,312
Other borrowings	3.90% - 5.66%	705,294	457,782	1,853,979	15,372,676	18,389,731	12,752,699
Lease liabilities	3.45% - 5.35%	11,102	11,103	23,636	173,491	219,332	157,307
		5,078,969	1,962,418	2,687,313	19,229,157	28,957,857	22,535,337
Financial guarantee issued							
Maximum amount guaranteed (Note 40)	N/A	448,485	-	-	-	448,485	12,883

49 Financial risk management objectives and policies (continued)

The amounts included above of variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimate of interest rates determined at the end of the reporting period.

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee.

(c) Credit risk and impairment assessment

As at 31 December 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties or debtors provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position, and the amount of financial guarantees provided by the Group as disclosed in Note 40.

As at 31 December 2024, the Group generally does not hold collateral or other credit enhancements to cover its credit risks associated with its financial assets, except for financial lease receivables and loan receivables whose credit loss can be mitigate by the underlying leased assets.

The Group's credit risk primarily attributable to its trade and other receivables, contract assets and amounts due from associates and joint ventures which is arose during the normal course of the Group's business operations. The Group has set policies in place to review the recoverability of these receivables on an ongoing basis and assess the adequacy of provision for impairment.

For trade receivables, the management of the Group limit credit risk by assessing the credit quality of the customers, perform ongoing credit evaluation taking into account its financial position, past trade experience and other factors. The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 to 180 days. Each customer has a maximum credit limit. The Group has concentration of credit risk because trade receivables from its top five customers accounted for 54% (2023: 42%) of the Group's trade receivables as at 31 December 2024.

For the amounts due from associates and joint ventures, financial positions of the associates and joint ventures are regularly monitored in order to minimize the credit risk associated with receivables due from associates and joint ventures.

The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by management. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances based on provision matrix or individually and other debtors individually. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

49 Financial risk management objectives and policies (continued)

The credit risks of the Group's bank balances are limited because these balances are placed with reputable financial institutions.

The credit risks on financial guarantee provided by the Group and finance lease receivables are limited as the counterparties have no default in the past and the management of the Group does not expect any loss arising from non-performance by these counterparties.

The Group's internal credit risk grading assessment comprises the following categories:

<i>Internal credit rating</i>	<i>Description</i>	<i>Trade receivables, contract assets and finance lease receivables</i>	<i>Other financial assets</i>
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit - impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit - impaired	Lifetime ECL - not credit - impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit - impaired	Lifetime ECL - credit - impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

49 Financial risk management objectives and policies (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000
Financial assets at amortised costs			
Trade receivables (Note 25)			
- Sale of electricity	Low risk (note (b))	Lifetime ECL	1,178,858
- Others	Low risk (note (b))	Lifetime ECL	343,388
	Loss	Credit-impaired	4,764
			1,527,010
Other receivables (Note 26)	Low risk (note (a))	12-month ECL	501,054
	Loss	Credit-impaired	718
			501,772
Amounts due from associates (Note 21)			
		Lifetime ECL (not credit-impaired)	
- Trade nature	Low risk (note (b))		1,778
- Non-trade nature	Low risk (note (a))	12-month ECL	29,382
		Lifetime ECL (not credit-impaired)	
- Finance lease receivables	Low risk		21,961
			53,121
Amounts due from joint ventures (Note 22)			
		Lifetime ECL (not credit-impaired)	
- Trade nature	Low risk (note (b))		104,047
- Non-trade nature	Low risk (note (a))	12-month ECL	183,062
			287,109
Loans receivable (Note 28)	Low risk (note (a))	12-month ECL	27,848
Cash and cash equivalents (Note 30)	Low risk	12-month ECL	1,693,834
Restricted deposits (Note 30)	Low risk	12-month ECL	535,354
Other items:			
		Lifetime ECL (not credit-impaired)	
Contract assets (Note 24)	Low risk (note (b))		78,815
		Lifetime ECL (not credit-impaired)	
Finance lease receivables (Note 27)	Low risk (note (b))		225,812
Premium receivable for financial guarantee contracts (Note 40)	Low risk (note (b))	12-month ECL	8,546

49 Financial risk management objectives and policies (continued)

Notes:

- (a) For the purposes of internal risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

	<i>Past due</i> RMB'000	<i>Not past due/ no fixed repayment terms</i> RMB'000	<i>Total</i> RMB'000
2024			
Amounts due from associates	-	29,382	29,382
Amounts due from joint ventures	-	183,062	183,062
Other receivables	-	501,054	501,054
Loans receivable	-	27,848	27,848
2023			
Amounts due from associates	-	23,765	23,765
Amounts due from joint ventures	-	286,003	286,003
Other receivables	-	584,151	584,151
Loans receivable	-	48,630	48,630

- (b) For trade receivables (including trade-related amounts due from joint ventures and associates), finance lease receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items on an individual balance basis, except for trade receivables in relation to its sales of electricity which are based on provision matrix.

The trade receivables arising from sales of electricity are mainly due from the local state grid companies in various provinces in the PRC. The management considered the probability of default of trade receivables is remote since the local grid companies are state-owned and taking into account the past payment histories of the debtors, adjusted for general economic conditions of the new energy industry and an assessment of both current as well as forecast direction of market conditions at the reporting date. Accordingly, the management is of the opinion that the credit risk of trade receivables arising from sales of electricity is limited.

49 Financial risk management objectives and policies (continued)

- (c) The Group writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

The following table shows the movement in ECL that has been recognised for trade receivables under the simplified approach:

	2024 RMB'000	2023 RMB'000
At 1 January	4,062	3,092
Impairment provided for the year from continuing operations, net (Note 10)	702	1,130
Impairment provided for the year from discontinued operation, net	-	698
Disposal of subsidiaries	-	(698)
Written-off during the year	-	(160)
At 31 December	4,764	4,062

For financial guarantee contracts, the gross carrying amount represents the maximum amount that Group has guaranteed under the relevant contract. The maximum amount that the Group has guaranteed under the relevant contract was RMB503,850,000 as at 31 December 2024 (2023: RMB498,869,000). At the end of the reporting period, the directors of the Company have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Details of the financial guarantee contracts are set out in Note 40.

50 Fair value measurements of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Group uses market-observable data of the extent it is available. Where Level 1 inputs are not available, the Group determines the appropriate valuation techniques and inputs for fair value measurements and works closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis. The following tables give information about how the fair values of these financial assets and financial liabilities are determined.

	Fair value hierarchy			Total RMB'000
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
At 31 December 2024				
Financial assets at FVTPL				
Unlisted equity securities	-	-	180,890	180,890
Contingent consideration in disposal of subsidiaries	-	-	33,279	33,279
Bills receivables, at FVTPL	-	126,546	-	126,546

	Fair value hierarchy			Total RMB'000
	Level 1	Level 2	Level 3	
	RMB'000	RMB'000	RMB'000	
At 31 December 2023				
Financial assets at FVTPL				
Unlisted equity securities	-	-	69,659	69,659
Listed equity securities, at fair value	99,538	-	-	99,538
Contingent consideration in disposal of subsidiaries	-	-	50,433	50,433
Bills receivables, at FVTPL	-	9,000	-	9,000

There were no transfers between level 1 and 2 during the years ended 31 December 2024 and 2023, and there were no transfers into or out of Level 3 during both years.

50 Fair value measurements of financial instruments (continued)

Information of level 2 and level 3 fair value measurement are as follow:

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2024 (RMB'000)	2023 (RMB'000)			
Unlisted equity securities	180,890	69,659	Level 3	Income approach—in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investees, based on an appropriate discount rate. Comparable market value - in this approach, the fair value of unlisted equity instruments is determined at the price of the most recent financing.	Long-term pre-tax operating margin, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 44% to 48% (2023: 44% to 48%). Discount rate of 12% (2023: 12%) determined using a Capital Asset Pricing Model (note (a)).
Contingent consideration in disposal of subsidiaries	33,279	50,433	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow into the Group arising from the contingent consideration, based on an appropriate discount rate.	Probability to meet the conditions set out in the share purchase agreements, including whether and when the disposed power plants could be registered in the List (note (b)).
Bills receivables, at FVTPL	126,546	9,000	Level 2	Discounted cash flow method was used to capture the present value of the contracted cash flows discounted at a rate that reflects the market credit risk.	N/A

Notes:

- (a) An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the unlisted equity securities, and vice versa. A 5% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the unlisted equity securities by RMB948,000 and RMB998,000 respectively (2023: RMB1,078,000 and RMB1,138,000 respectively).
- (b) A decrease in probability for satisfying the conditions stipulated in the equity transfer agreement, such as obtaining a construction project permit and land ownership certificate would result in a decrease in the fair value measurement of the contingent consideration, and vice versa.

50 Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurement

	Contingent consideration in disposal of subsidiaries RMB'000	Unlisted equity securities RMB'000	RMB wealth management products RMB'000
Balance as at 1 January 2023	93,060	66,782	210
Addition	-	-	3,080,021
Settlement	(42,627)	-	(3,097,908)
Fair value changes	-	1,977	17,677
Exchange differences	-	900	-
Balance as at 31 December 2023	50,433	69,659	-
Addition	-	106,686	2,397,563
Settlement	(17,154)	(2,203)	(2,410,541)
Fair value changes	-	3,744	12,543
Exchange differences	-	3,004	435
Balance as at 31 December 2024	33,279	180,890	-

Fair value of financial instruments that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated statement of financial position, together with the interest accruals, approximate their respective fair values at the end of the reporting period.

51 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors capital on the basis of the liability-to-asset ratio and the gearing ratio. The gearing ratio is calculated as total borrowings divided by total capital. Total borrowings represented bank borrowings plus other borrowings, senior notes, and lease liabilities. Total capital is calculated as total equity plus total borrowings.

The Group's total borrowings and total capital positions as at 31 December 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000
Total borrowings	16,649,824	16,692,318
Total equity	8,906,306	8,435,414
Total capital	25,556,130	25,127,732
Gearing ratio	65.15%	66.43%
Liability-to-asset ratio	72.28%	72.99%

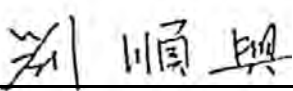
52 Statement of financial position of the Company

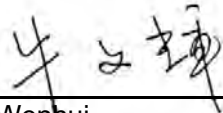
	2024 RMB'000	2023 RMB'000
Assets:		
Non-current assets		
Interests in subsidiaries	1,270,960	1,270,642
Deposits	547	547
Right-of-use assets	2,251	-
	<u>1,273,758</u>	<u>1,271,189</u>
Current assets		
Amounts due from subsidiaries	1,630,462	1,092,175
Amounts due from joint ventures	5	2
Deposits	21,336	53,939
Cash and cash equivalents	120,134	124,795
Financial assets at fair value through profit or loss	-	99,538
	<u>1,771,937</u>	<u>1,370,449</u>
Total assets	<u>3,045,695</u>	<u>2,641,638</u>
Liabilities:		
Current liabilities		
Bank borrowings	176,250	177,068
Other payables and accruals	22,819	18,405
Amounts due to subsidiaries	152,259	316,853
	<u>351,328</u>	<u>512,326</u>
Total liabilities	<u>351,328</u>	<u>512,326</u>
Net current assets	<u>1,420,609</u>	<u>858,123</u>
Net assets	<u>2,694,367</u>	<u>2,129,312</u>

52 Statement of financial position of the Company (continued)

	2024 RMB'000	2023 RMB'000
Equity		
Share capital (Note 41)	68,390	72,598
Reserves (note)	<u>2,625,977</u>	<u>2,056,714</u>
Total equity	<u>2,694,367</u>	<u>2,129,312</u>

Approved and authorised for issue by the board of directors on 27 February 2025.


Liu Shunxing
Chairman and Executive Director


Niu Wenhui
Executive Director

Note:

Movements in components of reserves of the Company

	Share premium	Treasury shares	Contributed surplus (Note 41(c))	Other reserves	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023	708,438	(206,285)	2,359,063	109,875	(1,185,637)	1,785,454
Gain and total comprehensive income the year	-	-	-	-	839,885	839,885
Share-based compensation	-	-	-	13,377	-	13,377
Vesting of shares under share award scheme	15,299	327	-	(22,985)	-	(7,359)
2022 final dividend	-	-	-	-	(278,487)	(278,487)
Cancellation of treasury shares	(309,886)	314,731	-	-	-	4,845
Repurchase of ordinary shares (Note 41)	-	(301,001)	-	-	-	(301,001)
Balance at 31 December 2023	413,851	(192,228)	2,359,063	100,267	(624,239)	2,056,714
Gain and total comprehensive income the year	-	-	-	-	889,103	889,103
Share-based compensation	-	-	-	5,815	-	5,815
Vesting of shares under share award scheme	10,000	123	-	(12,979)	-	(2,856)
2023 final dividend	-	-	-	-	(258,890)	(258,890)
Cancellation of treasury shares	(249,859)	254,067	-	-	-	4,208
Repurchase of ordinary shares (Note 41)	-	(68,117)	-	-	-	(68,117)
Balance at 31 December 2024	<u>173,992</u>	<u>(6,155)</u>	<u>2,359,063</u>	<u>93,103</u>	<u>5,974</u>	<u>2,625,977</u>

53 Subsidiaries

As at 31 December 2024, particulars of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and operations and kind of legal entity	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Century Concord Wind Power Investment Co., Ltd. *	The PRC, limited company	Registered capital of RMB3,444,450,000	100%	100%	Investment holding
Haotai New Energy Equipment Ltd. *	The PRC, limited company	Registered capital of RMB500,000,000	100%	100%	Sales of solar power equipment and new energy equipment
Jilin Century Concord Wind Power Investment Co., Ltd. *	The PRC, limited company	Registered capital of RMB195,820,000	100%	100%	Wind power plant investment and operation
Jingmen Lixi Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB37,800,000	100%	100%	Wind power plant investment and operation
Yongzhou Jiepai Century Concord Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB1,901,834,000	100%	100%	Wind power plant investment and operation
Jilin Tongyu New Area Development Concord Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB203,000,000	100%	100%	Wind power plant investment and operation
Kaiyuan Julong New Energy Development Co., Ltd. *	The PRC, limited company	Registered capital of RMB443,850,000	100%	100%	Wind power plant investment and operation
Yongzhou Qiaotoupu Century Concord Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB133,920,000	100%	100%	Wind power plant investment and operation
Suzhou Deren Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB70,000,000	100%	100%	Wind power plant investment and operation
Shizong Juhe Wind Power Co., Ltd. *	The PRC, limited company	Registered capital of RMB304,280,000	100%	100%	Wind power plant investment and operation
Fuxin Mongol Autonomous County Xingda Wind Power Co., Ltd.*	The PRC, limited company	Registered capital of RMB66,000,000	100%	100%	Wind power plant investment and operation
CNE INVESTMENT PTE. LTD.	Foreign limited company	Registered capital of SGD60,000,000	100%	100%	Investment holding
Wuhe Juhe Wind Power Co., Ltd.*	The PRC, limited company	Registered capital of RMB78,000,000	100%	100%	Wind power plant investment and operation

*The English translation of the names of the subsidiaries are for identification only. The official names of these entities are in Chinese.

The table above lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. As at 31 December 2024, there was no non-wholly owned subsidiaries of the Group that have material non-controlling interests.

**APPENDIX B – INDEPENDENT REVIEW REPORT AND THE UNAUDITED INTERIM
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF CONCORD NEW
ENERGY GROUP LIMITED AND ITS SUBSIDIARIES AS AT AND FOR THE SIX (6)
MONTHS ENDED 30 JUNE 2025**

Concord New Energy Group Limited
(Incorporated in Bermuda with limited liability)

Interim Financial Report
for the six months ended 30 June 2025



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Central, Hong Kong
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Review report to the board of directors of Concord New Energy Group Limited *(incorporated in Bermuda with limited liability)*

Introduction

We have reviewed the interim financial report set out on pages 3 to 34, which comprises the consolidated statement of financial position of Concord New Energy Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2025 and the related consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim financial reporting* as issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.



Review report to the board of directors of
Concord New Energy Group Limited (continued)
(incorporated in Bermuda with limited liability)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

A handwritten signature in black ink, appearing to be 'KPMG' or a similar stylized mark.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

1 August 2025

Consolidated statement of profit or loss for the six months ended 30 June 2025 - unaudited (Expressed in Renminbi ("RMB"))

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Revenue	3, 4, 27	1,400,319	1,498,857
Cost of sales and services rendered	27	(731,290)	(646,764)
Gross profit		669,029	852,093
Other income	5	53,960	76,577
Other gains and losses, net	6	24,070	(724)
Impairment losses under expected credit loss model, net of reversal		(2,306)	-
Distribution and selling expenses		(3,668)	(6,051)
Administrative expenses		(160,838)	(162,642)
Finance costs	7	(315,461)	(340,563)
Share of profit of joint ventures, net		82,550	94,466
Share of profit of associates, net		(825)	8,205
Profit before income tax	8	346,511	521,361
Income tax (expenses) / credit	9	(54,472)	26,097
Profit for the period		<u>292,039</u>	<u>547,458</u>
Attributable to:			
Equity shareholders of the Company		281,940	501,370
Non-controlling interests of the Company		<u>10,099</u>	<u>46,088</u>
Profit for the period		<u>292,039</u>	<u>547,458</u>
Earnings per share			
Basic earnings per share (RMB cents)	10	3.58	6.24
Diluted earnings per share (RMB cents)	10	3.58	6.23

The notes on pages 12 to 34 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 11.

Consolidated statement of profit or loss and
other comprehensive income
for the six months ended 30 June 2025 - unaudited
(Expressed in RMB)

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	<u>292,039</u>	<u>547,458</u>
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	<u>11,721</u>	<u>(6,475)</u>
Other comprehensive income for the period, net of tax	<u>11,721</u>	<u>(6,475)</u>
Total comprehensive income for the period	<u>303,760</u>	<u>540,983</u>
Attributable to:		
Equity shareholders of the Company	293,675	495,141
Non-controlling interests of the Company	<u>10,085</u>	<u>45,842</u>
Total comprehensive income for the period	<u>303,760</u>	<u>540,983</u>

The notes on pages 12 to 34 form part of this interim financial report.

Consolidated statement of financial position at 30 June 2025 - unaudited (Expressed in RMB)

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	20,422,587	17,247,835
Right-of-use assets		1,576,363	1,400,314
Intangible assets		705,623	659,835
Interests in associates		752,940	761,872
Interests in joint ventures		2,019,489	2,147,270
Financial assets at fair value through profit or loss		125,157	125,157
Prepayments, deposits and other receivables	14	1,487,762	1,392,813
Finance lease receivables		133,065	177,746
Loan receivables		2,346	11,673
Deferred tax assets		86,158	61,266
		<u>27,311,490</u>	<u>23,985,781</u>
Current assets			
Inventories		22,264	19,217
Contract assets		55,870	78,815
Trade and bills receivables	13	1,743,833	1,648,792
Prepayments, deposits and other receivables	14	1,097,396	929,927
Finance lease receivables		44,424	48,066
Loan receivables		1,917	16,175
Amounts due from associates	15	1,042	53,121
Amounts due from joint ventures	15	444,144	287,109
Financial assets at fair value through profit or loss		83,741	55,733
Cash and cash equivalents	16	1,983,096	1,693,834
Restricted deposits	16	338,597	535,354
Assets held for sale	17	84,877	2,777,915
		<u>5,901,201</u>	<u>8,144,058</u>
Total assets		<u>33,212,691</u>	<u>32,129,839</u>

The notes on pages 12 to 34 form part of this interim financial report.

Consolidated statement of financial position at 30 June 2025 - unaudited (continued) (Expressed in RMB)

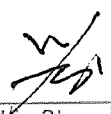
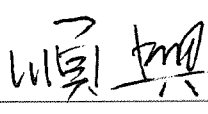
	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	19	6,206,205	4,809,590
Other borrowings	20	11,515,808	9,296,012
Lease liabilities		498,133	418,543
Deferred tax liabilities		2,772	20,052
Deferred government grants		4,081	4,261
Payables for construction in progress, other payables and accruals	21	633,227	730,050
Financial guarantee contract liabilities		11,019	4,772
		<u>18,871,245</u>	<u>15,283,280</u>
Current liabilities			
Trade and bills payables	18	468,675	589,014
Payables for construction in progress, other payables and accruals	21	2,579,523	2,552,221
Contract liabilities		40,628	25,029
Amounts due to associates		21,541	70
Amounts due to joint ventures		39,724	52,010
Bank borrowings	19	1,012,624	924,967
Other borrowings	20	1,129,389	1,167,151
Lease liabilities		61,889	33,561
Financial guarantee contract liabilities		2,190	3,774
Current income tax liabilities		44,684	50,640
Liabilities directly associated with the assets held for sale	17	40,530	2,541,816
		<u>5,441,397</u>	<u>7,940,253</u>
Total liabilities		<u>24,312,642</u>	<u>23,223,533</u>
Net current assets		<u>459,804</u>	<u>203,805</u>
Total assets less current liabilities		<u>27,771,294</u>	<u>24,189,586</u>
Net assets		<u>8,900,049</u>	<u>8,906,306</u>

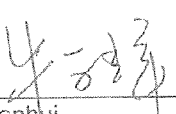
The notes on pages 12 to 34 form part of this interim financial report.

Consolidated statement of financial position
at 30 June 2025 - unaudited (continued)
(Expressed in RMB)

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
EQUITY			
Share capital	22	67,422	68,390
Reserves		<u>8,645,150</u>	<u>8,646,560</u>
Total equity attributable to equity shareholders of the Company		8,712,572	8,714,950
Non-controlling interests		<u>187,477</u>	<u>191,356</u>
Total equity		<u>8,900,049</u>	<u>8,906,306</u>

Approved and authorised for issue by the board of directors on 1 August 2025.

 
Liu Shunxing
Chairman and Executive Director


Niu Wenhui
Executive Director

The notes on pages 12 to 34 form part of this interim financial report.

Consolidated statement of changes in equity for the six months ended 30 June 2025 - unaudited (Expressed in RMB)

	Attributable to equity shareholders of the Company									
	Share capital (Note 22)	Treasury shares	Share premium	Contributed surplus	Premium arising on acquisition and disposal of non-controlling interests	Exchange reserves	Other reserves	Retained earnings	Subtotal	Non-controlling interests
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	68,390	(30,037)	173,992	2,359,063	(106,718)	(10,998)	168,125	6,093,133	8,714,950	191,356
Profit for the period	-	-	-	-	-	-	-	281,940	281,940	10,099
Other comprehensive income	-	-	-	-	-	11,735	-	-	11,735	(14)
Total comprehensive income for the period	-	-	-	-	-	11,735	-	281,940	293,675	10,085
Cancellation of treasury shares	(968)	47,956	(46,988)	-	-	-	-	-	-	-
Repurchase of ordinary shares	-	(42,051)	-	-	-	-	-	-	(42,051)	-
Vesting of shares under share award scheme	-	1,656	9,245	-	-	-	(10,901)	-	-	-
Share-based compensation	-	-	-	-	-	-	188	-	188	-
2024 final dividends	-	-	-	-	-	-	-	(251,442)	(251,442)	-
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	913
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	1,217
Acquisition of non-controlling interests	-	-	-	-	(2,748)	-	-	-	(2,748)	(13,394)
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,700)
Balance at 30 June 2025	67,422	(22,476)	136,249	2,359,063	(109,466)	737	157,412	6,123,631	8,712,572	187,477
										8,900,049

The notes on pages 12 to 34 form part of this interim financial report.

Consolidated statement of changes in equity for the six months ended 30 June 2024 - unaudited (Expressed in RMB)

	Attributable to equity shareholders of the Company										
	Share capital (Note 22)	Treasury shares	Share premium	Contributed surplus	Premium arising on acquisition and disposal of non-controlling interests	Exchange reserves	Other reserves	Retained earnings	Subtotal	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	72,598	(218,966)	413,851	2,359,063	(76,551)	10,862	175,289	5,546,890	8,283,036	152,378	8,435,414
Profit for the period	-	-	-	-	-	-	-	501,370	501,370	46,088	547,458
Other comprehensive income	-	-	-	-	-	(6,229)	-	-	(6,229)	(246)	(6,475)
Total comprehensive income for the period	-	-	-	-	-	(6,229)	-	501,370	495,141	45,842	540,983
Cancellation of treasury shares	(3,089)	200,692	(197,603)	-	-	-	-	-	-	-	-
Repurchase of ordinary shares	-	(8,836)	-	-	-	-	-	-	(8,836)	-	(8,836)
Vesting of shares under share award scheme	-	2,979	9,998	-	-	-	(12,977)	-	-	-	-
Share-based compensation	-	-	-	-	-	-	4,074	-	4,074	-	4,074
2023 final dividends	-	-	-	-	-	-	-	(258,890)	(258,890)	-	(258,890)
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	85,950	85,950
Dividends declared to non-controlling interests	-	-	-	-	-	-	-	-	-	(23,474)	(23,474)
Balance at 30 June 2024	69,509	(24,131)	226,246	2,359,063	(76,551)	4,633	166,386	5,789,370	8,514,525	260,696	8,775,221

The notes on pages 12 to 34 form part of this interim financial report.

Condensed consolidated statement of cash flows for the six months ended 30 June 2025 - unaudited (Expressed in RMB)

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from operating activities		
Cash generated from operations	1,143,415	985,796
Income tax paid	(102,560)	(136,699)
Net cash generated from operating activities	1,040,855	849,097
Cash flows from investing activities		
Payments for property, plant and equipment	(1,598,935)	(2,544,905)
Payments for right-of-use assets	(16,897)	(150,671)
Net cash inflow on disposal / liquidation of subsidiaries	17,244	83,142
Proceed from dividends received related to disposed subsidiaries in previous years	43,485	13,999
Dividends received from a joint venture and associates	29,337	-
Proceeds from disposal of other financial assets	941,369	1,222,607
Payments for acquisition of other financial assets	(965,453)	(1,643,862)
Placement of restricted deposits	(338,597)	(461,648)
Withdrawal of restricted deposits	535,354	1,457,459
Other cash flows arising from / (used in) investing activities	18,566	(112,377)
Net cash used in investing activities	(1,334,527)	(2,136,256)

The notes on pages 12 to 34 form part of this interim financial report.

Condensed consolidated statement of cash flows
for the six months ended 30 June 2025 - unaudited
(continued)
(Expressed in RMB)

		Six months ended 30 June	
	Note	2025	2024
		RMB'000	RMB'000
Cash flows from financing activities			
Payment for repurchase of shares of the Company		(42,051)	(8,836)
Proceeds from bank borrowings		1,293,020	2,939,645
Repayment of bank borrowings		(511,353)	(318,292)
Proceeds from other borrowings		1,889,507	1,553,111
Repayment of other borrowings		(1,657,562)	(2,634,716)
Repayment of deposits		-	(28,825)
Repayment of lease liabilities		(27,943)	(8,735)
Dividends paid to non-controlling interests		(49,635)	(14,402)
Contributions by non-controlling interests		913	85,950
Interest paid		(367,227)	(373,045)
Other cash flows used in financing activities		(182)	(7,116)
Net cash generated from financing activities		<u>527,487</u>	<u>1,184,739</u>
Net increase / (decrease) in cash and cash equivalents		233,815	(102,420)
Cash and cash equivalents at the beginning of the period		1,753,785	2,445,465
Effect of foreign exchange rate changes		<u>(4,392)</u>	<u>(5,987)</u>
Cash and cash equivalents at the end of the period		<u>1,983,208</u>	<u>2,337,058</u>
Cash and cash equivalents balances		1,983,096	2,337,058
Cash and cash equivalents balances attributable to disposal subsidiaries classified as held for sale		<u>112</u>	<u>-</u>
		<u>1,983,208</u>	<u>2,337,058</u>
Analysis of balances of cash and cash equivalents			
Cash and bank balances	16	2,321,693	2,798,706
Restricted deposits	16	<u>(338,597)</u>	<u>(461,648)</u>
		<u>1,983,096</u>	<u>2,337,058</u>

The notes on pages 12 to 34 form part of this interim financial report.

Notes to the unaudited interim financial report

(Expressed in RMB unless otherwise indicated)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 1 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Concord New Energy Group Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the HKICPA.

2 Changes in accounting policies and disclosures

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Segment information

Business segments

The management has determined the operating segments based on the internal reports reviewed and used by executive directors of the Company, who are the chief operating decision makers ("CODM"), for strategic decision making.

The CODM consider the business from a product and service perspective. The Group is organised into certain business units according to the nature of the products sold or services provided. The CODM review operating results and financial information of each business unit separately. Accordingly, each business unit (including joint ventures and associates) is identified as an operating segment. These operating segments with similar economic characteristics and similar nature of products sold or services provided have been aggregated into the following reporting segments.

- Power generation segment - operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;
- "Others" segment - provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects, and stock finance lease services.

The CODM assess the performance of the operating segments based on a measure of adjusted earnings before interest and income tax. This measurement basis excludes the effects of non-recurring income and expenditure from the operating segments.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' remuneration, certain other gains and losses, certain other income, finance income and finance costs.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments other than assets and liabilities attributable to head office.

3 Segment information (continued)

Information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2025 and 2024 is set out below:

	Power generation RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
For the six months ended 30 June 2025				
Segment revenue				
Sales to external customers	1,335,393*	64,926	-	1,400,319
Inter-segment revenues	-	269,995	(269,995)	-
	<u>1,335,393</u>	<u>334,921</u>	<u>(269,995)</u>	<u>1,400,319</u>
Segment results				
	625,860	(5,516)	-	620,344
Unallocated other gains and losses, net				21,764
Unallocated income				15,776
Unallocated expenses				(3,955)
Interest revenue				8,043
Finance costs				<u>(315,461)</u>
Profit before income tax				346,511
Income tax expense				<u>(54,472)</u>
Profit for the period				<u>292,039</u>
At 30 June 2025				
Segment assets	31,287,237	1,533,936	-	32,821,173
Unallocated assets				<u>391,518</u>
Total assets				<u>33,212,691</u>
Segment liabilities	(23,412,468)	(449,314)	-	(23,861,782)
Unallocated liabilities				<u>(450,860)</u>
Total liabilities				<u>(24,312,642)</u>

* Revenue from power generation comprised electricity charges and other revenue from wind power plants and solar power plants of RMB1,115,501,000 and RMB219,892,000, respectively.

3 Segment information (continued)

	Power generation RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
For the six months ended 30 June 2024				
Segment revenue				
Sales to external customers	1,364,318*	134,539	-	1,498,857
Inter-segment revenues	-	189,027	(189,027)	-
	<u>1,364,318</u>	<u>323,566</u>	<u>(189,027)</u>	<u>1,498,857</u>
Segment results	812,081	(5,513)	-	806,568
Unallocated other gains and losses, net				(724)
Unallocated income				33,626
Unallocated expenses				(3,131)
Interest revenue				25,585
Finance costs				<u>(340,563)</u>
Profit before income tax				521,361
Income tax credit				<u>26,097</u>
Profit for the period				<u>547,458</u>
At 31 December 2024				
Segment assets	30,334,019	1,690,979	-	32,024,998
Unallocated assets				<u>104,841</u>
Total assets				<u>32,129,839</u>
Segment liabilities	(22,431,730)	(592,044)	-	(23,023,774)
Unallocated liabilities				<u>(199,759)</u>
Total liabilities				<u>(23,223,533)</u>

* Revenue from power generation comprised electricity charges and other revenue from wind power plants and solar power plants of RMB1,176,495,000 and RMB187,823,000, respectively.

4 Revenue

An analysis of the Group's revenue for six months ended 30 June is as follows:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of electricity:		
Basic and trading electricity price	1,170,425	1,188,558
Renewable energy subsidy (note (i))	153,436	146,391
Green energy certificates (note (ii))	7,211	19,716
Engineering, procurement and construction services	26,217	40,109
Provision of design services	20,658	14,099
Provision of technical and consultancy services	6,763	12,409
Other revenue	6,470	59,751
	<u>1,391,180</u>	<u>1,481,033</u>
Revenue from other source		
Finance lease income	<u>9,139</u>	<u>17,824</u>
Total revenue	<u><u>1,400,319</u></u>	<u><u>1,498,857</u></u>

Notes:

- (i) Renewable energy subsidy is provided by the relevant People's Republic of China (the "PRC") government authorities to the wind and solar power plants operating in the PRC, subject to the fulfilment of certain conditions. Approval for the registration in the Renewable Energy Tariff Subsidy List is required before the allocation of renewable energy subsidy by the relevant PRC government authorities.
- (ii) According to the Work Plan for Pilot Green Power Trading approved by National Development and Reform Commission and National Energy Administration, wind power and solar power plants that are not included in Renewable Energy Tariff Subsidy List can apply to obtain green energy certificates from National Renewable Energy Information Management Center to participate in green energy trading through power exchange centers.

4 Revenue (continued)

An analysis of timing of revenue recognition for revenue from contracts with customers is as follows:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Point in time:		
Sales of electricity	1,331,072	1,354,665
Provision of design services	20,658	14,099
Provision of technical and consultancy services	6,763	12,409
Other revenue	6,470	59,751
	<u>1,364,963</u>	<u>1,440,924</u>
Over time:		
Engineering, procurement and construction	26,217	40,109
Revenue from contracts with customers	<u>1,391,180</u>	<u>1,481,033</u>

5 Other income

An analysis of the Group's other income for six months ended 30 June is as follows:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Interest revenue	8,043	25,585
Government grants:		
- Tax refunds (note (i))	30,141	17,366
- Others	1,970	1,461
Gain on transfer the right of use of boosting substations	-	18,868
Compensation	3,726	3,822
Guarantee income	1,980	4,014
Rental income	5,003	2,766
Others	3,097	2,695
	<u>53,960</u>	<u>76,577</u>

Note:

- (i) The amounts mainly represent refunds of value-added tax and other taxes received from the PRC tax authorities.

6 Other gains and losses, net

An analysis of other gains and losses, net is as follows:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Reversal of impairment loss on assets held for sale (Note 17)	14,637	-
Gain on disposal of a joint venture, net	11,461	-
Fair value gains on the financial assets at fair value through profit or loss ("FVTPL")	4,155	5,794
Loss on disposal / liquidation of subsidiaries, net	(3,215)	(33)
Exchange loss, net	(1,307)	(4,061)
Gain / (loss) on disposal of property, plant and equipment, net	192	(93)
Others	(1,853)	(2,331)
	<u>24,070</u>	<u>(724)</u>

7 Finance costs

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses on:		
- Bank borrowings	99,192	97,974
- Other borrowings	238,985	260,603
- Lease liabilities	12,274	6,660
	<u>350,451</u>	<u>365,237</u>
Less: Interest capitalised	<u>(34,990)</u>	<u>(24,674)</u>
	<u>315,461</u>	<u>340,563</u>

During the six months ended 30 June 2025, finance costs have been capitalised at various applicable rates ranging from 2.45% to 3.95% (2024: 2.45% to 5.19%) per annum for qualified assets classified as construction in progress under property, plant and equipment.

8 Profit before income tax

Profit before income tax is arrived at after charging the following items:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Total depreciation and amortisation	549,497	452,912
Less: Amount capitalised as construction in progress under property, plant and equipment	<u>(3,897)</u>	<u>(4,917)</u>
Depreciation and amortisation charged to profit or loss	<u>545,600</u>	<u>447,995</u>

9 Income tax expenses / (credit)

Taxation in the consolidated statement of profit or loss represents:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
- PRC corporate income tax	65,422	49,294
- PRC withholding tax	16,842	53,982
Under / (over)-provision in prior years:		
- PRC corporate income tax	9,812	3,618
- PRC withholding tax (note (i))	-	(90,000)
Deferred tax	<u>(37,604)</u>	<u>(42,991)</u>
	<u>54,472</u>	<u>(26,097)</u>

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first Hong Kong dollars ("HK\$") 2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

PRC corporate income tax is provided for at the rate of 25% (2024: 25%) of the profits, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

9 Income tax expenses / (credit) (continued)

Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. During the six months ended 30 June 2025, no provisions for income tax have been made in other jurisdictions as the Group had no assessable profit generated from other jurisdictions (the corresponding period of 2024: Nil).

The law of the PRC on corporate income tax provides that qualified dividend income between two “resident corporates” that have a direct investment relationship is exempted from income tax. Otherwise, under the CIT Law and its relevant regulations, dividends receivable by non-PRC resident enterprises from PRC resident enterprises for earnings accumulated beginning on 1 January 2008 are subject to withholding tax at a rate of 10% unless reduced by tax treaties or agreements. Under the tax arrangement between the Mainland China and Hong Kong SAR, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% or more of the equity interest of a PRC resident enterprise is entitled to a reduced dividend withholding tax rate of 5%. The Group is currently subject to withholding tax at 5% to 10%.

Deferred tax liabilities, in respect of the PRC withholding tax that would be payable on the distribution of these profits, have not been recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that such profits will not be distributed in the foreseeable future.

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) for a new global minimum tax reform applicable to large multinational enterprises. The Group’s operations are mainly located in the PRC where Pillar Two income tax legislation is not implemented. The directors of the Company are of the opinion that the enacted rules to be implemented will not have a material impact on the Group’s consolidated financial statements.

Note:

- (i) On 25 June 2024, the Company qualified as Hong Kong resident and the Company is entitled to a reduced dividend withholding tax rate at 5% for 2022 and 2023. The Group reversed PRC dividend withholding tax of RMB90,000,000 in relation to declared dividend distribution out of earnings of PRC subsidiaries of RMB1,800,000,000 in 2022 and 2023 with withholding tax previously recognised at a rate of 10%. The Group has received the tax refund in relation to amount paid in previous years from tax authorities in 2024.

10 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the six months ended 30 June 2025.

(i) Profit attributable to ordinary shareholders

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to ordinary shareholders	<u>281,940</u>	<u>501,370</u>

(ii) Weighted-average number of ordinary shares

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>'000</i>	<i>'000</i>
Issued ordinary shares at 1 January	7,982,039	8,444,719
Effect of treasury shares	<u>(113,005)</u>	<u>(412,745)</u>
Weighted-average number of ordinary shares	<u>7,869,034</u>	<u>8,031,974</u>

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares from the share award scheme.

(i) Profit attributable to ordinary shareholders (diluted)

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to ordinary shareholders (diluted)	<u>281,940</u>	<u>501,370</u>

(ii) Weighted-average number of ordinary shares (diluted)

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>'000</i>	<i>'000</i>
Weighted-average number of ordinary shares	7,869,034	8,031,974
Effect of share award scheme	<u>4,184</u>	<u>15,426</u>
Weighted-average number of ordinary shares (diluted)	<u>7,873,218</u>	<u>8,047,400</u>

11 Dividend

During the six months ended 30 June 2025, a final dividend of HK\$0.035 per ordinary share in respect of the year ended 31 December 2024 (the year ended 31 December 2023: HK\$0.035) was declared to the shareholders of the Company. The aggregate amount of final dividend declared in the period ended 30 June 2025 equivalent to approximately RMB251,442,000 (the corresponding period of 2024: RMB258,890,000). The dividend was paid on 4 July 2025 (the corresponding period of 2024: 3 July 2024).

The directors of the Company have determined that no dividend will be declared in respect of the period ended 30 June 2025 (the corresponding period of 2024: Nil).

12 Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment of RMB1,418,708,000 (the corresponding period of 2024: RMB1,148,351,000). In addition, property, plant and equipment with carrying amount of RMB2,230,187,000 attribute to the disposal group, was reclassified from assets held for sale due to the termination of disposal agreements (see Note 17).

13 Trade and bills receivables

	<i>At 30 June 2025 RMB'000</i>	<i>At 31 December 2024 RMB'000</i>
Trade receivables, at amortised cost (note (i))	352,354	348,152
Tariff adjustment receivables, at amortised cost (note (ii))	1,352,241	1,178,858
Bills receivables, at FVTPL (note (iii))	<u>43,508</u>	<u>126,546</u>
	1,748,103	1,653,556
Impairment loss on trade receivables (note (i))	<u>(4,270)</u>	<u>(4,764)</u>
	<u>1,743,833</u>	<u>1,648,792</u>

The Group does not hold any collaterals over trade and bills receivables as security.

13 Trade and bills receivables (continued)

Notes:

(i) Trade receivables

The Group's trade receivables include receivables from the sale of electricity, provision of construction and other services. The Group's credit terms granted to customers ranging from 30 to 180 days. For certain construction projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the contracts signed between the Group and its customers.

As at 30 June 2025, the ageing analysis of the trade receivables, net of allowance for credit losses, presented based on invoice date, is as follows:

	<i>At 30 June</i> 2025 RMB'000	<i>At 31 December</i> 2024 RMB'000
Within 3 months	217,482	238,011
3 to 6 months	45,760	14,224
6 to 12 months	1,734	19,396
1 to 2 years	12,489	66,658
Over 2 years	70,619	5,099
	<u>348,084</u>	<u>343,388</u>

(ii) Tariff adjustment receivables

As at 30 June 2025, the ageing analysis of the tariff adjustment receivable, based on the revenue recognition date, is as follows:

	<i>At 30 June</i> 2025 RMB'000	<i>At 31 December</i> 2024 RMB'000
Within 3 months	83,391	100,254
3 to 6 months	89,992	77,453
6 to 12 months	177,707	164,713
Over 1 year	1,001,151	836,438
	<u>1,352,241</u>	<u>1,178,858</u>

13 Trade and bills receivables (continued)

The Group's tariff adjustment receivable from the sale of electricity are mainly receivables from the state grid companies. The collection of the tariff adjustment receivables is subject to settlement by state grid companies upon finalisation of the allocation of funds by relevant PRC government authorities to the state grid companies.

Pursuant to Caijian [2020] No. 4 Notice on Promoting the Healthy Development of Non-aqueous Renewable Energy Power and Caijian [2020] No. 5 Notice on the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy jointly issued by the Ministry of Finance, the National Development and Reform Commission of the PRC and the National Energy Administration in January 2020, a set of new standardised procedures for the settlement of the aforementioned renewable energy tariff adjustment receivables have come into force since January 2020 and approvals on a project-by-project basis are required before the allocation of funds to local grid companies. Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy jointly issued by the Ministry of Finance in March 2012 was repealed at the same time.

As at 30 June 2025, most of the Group's related projects have been approved for the tariff adjustment receivables of renewable energy and few projects were in the process of applying for the approval. The directors of the Company are of the opinion that the approvals will be obtained in due course. The tariff adjustment receivables are settled in accordance with the prevailing government policies and prevalent payment trends of the Ministry of Finance. There is no due date for settlement. The directors of the Company considered the probability of default of tariff adjustment receivables is remote since such tariff adjustment receivable is funded by the PRC government and taking into account the past payment histories of the local grid companies, adjusted for general economic conditions of the new energy industry and an assessment of both current as well as forecast direction of market conditions at the reporting date. Accordingly, The directors of the Company are of the opinion that the credit risk of trade receivables from the tariff adjustment receivable is limited.

(iii) Bills receivables

As at 30 June 2025, the Group endorsed certain bills receivables accepted by banks in Mainland China (the "Bills") to certain of its suppliers in order to settle the trade payables for these suppliers with amount of RMB227,819,000 (2024: RMB159,039,000). The Bills have a maturity of one to six months at the end of the reporting period. The directors of the Company are of the opinion that the Group has transferred substantially all risks and rewards relating to the Bills. Accordingly, it has derecognised the full carrying amounts of the Bills and the associated liabilities.

All of bills receivables of the Group are with a maturity period of less than one year.

The Group's bills receivables are recognised as financial assets at FVTPL as the bills receivables are held for sale in accordance with HKFRS 9.

14 Prepayments, deposits and other receivables

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Prepayments for purchase of property, plant and equipment	181,417	165,621
Other prepayments	248,769	261,845
Deposits for other borrowings (Note 20)	109,608	144,807
Other deposits	239,017	114,869
Receivables from disposal of subsidiaries	151,427	100,882
Receivables from former subsidiaries	11,323	16,402
Other receivables	77,870	124,812
Deductible VAT	1,581,080	1,398,546
Premium receivables for financial guarantee contracts	-	8,546
	<u>2,600,511</u>	<u>2,336,330</u>
Less: loss allowance	<u>(15,353)</u>	<u>(13,590)</u>
	<u>2,585,158</u>	<u>2,322,740</u>
Analysed for reporting purposes as:		
Current assets	1,097,396	929,927
Non-current assets	1,487,762	1,392,813

15 Balances with associates and joint ventures

Included in amounts due from associates are trade-related receivable of RMB1,042,000 (31 December 2024: RMB1,778,000) which are unsecured, interest-free, repayable according to the terms of the relevant contracts, and of which RMB164,000 (31 December 2024: RMB900,000) are aged within one year and the remaining balances of RMB878,000 (31 December 2024: RMB878,000) are aged over 2 years.

Included in amounts due from joint ventures are trade-related receivable of RMB3,605,000 (31 December 2024: RMB2,756,000) which are unsecured, interest-free, repayable according to the terms of the relevant contracts, and of which RMB3,605,000 (31 December 2024: RMB2,756,000) are aged within one year and the remaining balances of Nil (31 December 2024: Nil) are aged over 1 year.

Except as described above, the remaining balances with associates and joint ventures include dividend receivables, finance lease receivables with interest rate ranging from 4.75% to 6.55% per annum and others which are unsecured, interest-free and repayable on demand.

16 Cash and cash equivalents

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Cash and bank balances	2,321,693	2,229,188
Less: Restricted deposits	<u>(338,597)</u>	<u>(535,354)</u>
Cash and cash equivalents	<u>1,983,096</u>	<u>1,693,834</u>

17 Assets / liabilities classified as held for sale

In August 2024, the Group committed to a plan to sell its entire equity interests in three subsidiaries within the Power generation segment to a third party (the "Disposal"). On 15 January 2025, 17 January 2025 and 27 January 2025, the Group entered into agreements with ACWA Power (Shanghai) Renewable Energy Co., Ltd. ("ACWA Power") (the "Disposal Agreements"), an independent third party to the Group, pursuant to which the Group has agreed to dispose of its entire entity interest in Yilan County Concord Wind Power Generation Co., Ltd. ("Yilan Concord"), Dachaidan Concord Wind Power Generation Co., Ltd. ("Dachaidan Concord") and Tonghe County Juting New Energy Co., Ltd. ("Tonghe New Energy") to ACWA Power at a consideration of RMB506,107,000, RMB65,000,000 and RMB636,241,000, respectively. Accordingly, the assets and liabilities related to these three subsidiaries, which are expected to be sold within twelve months, are classified as held for sale assets and liabilities in the Group's consolidated statement of financial position as at 31 December 2024.

As certain conditions precedent have not been fulfilled for each of the Disposal Agreements as of 30 June 2025, and ACWA Power and the Group are unable to reach an agreement on any extension for the fulfilment or waiver of those unfulfilled conditions precedent, all the Disposal Agreements have ceased to be legally binding, and all rights and obligations of the parties under the Disposal Agreements were terminated. Accordingly, the assets and liabilities attributable to Yilan Concord, Dachaidan Concord and Tonghe New Energy were reclassified from held-for-sale to held-for-use.

As the change to held-for-sale classification occurred in the current period and its effects were therefore reflected in this period. On reclassification from held-for-sale to held-for-use, non-current asset was remeasured at the lower of its recoverable amount and the carrying amount that would have been recognised had the asset never been classified as held-for-sale. The calculation of this carrying amount includes any depreciation that would have been recognised had the asset not been classified as held-for-sale. As a result, depreciation of RMB105,061,000 was recognised in "cost of sales and services rendered" and reversal of impairment losses of RMB14,637,000 for write-downs of the held-for-sale assets was recognised in "other gains and losses, net" during the six months ended 30 June 2025.

In April 2025, the Group entered into an agreement with a third party to sell its entire equity interests in one subsidiary within the Power generation segment and this sale is expected to be completed by December 2025. Accordingly, this subsidiary was presented as a disposal group held for sale.

17 Assets / liabilities classified as held for sale (continued)

(a) Assets and liabilities classified as held for sale

At 30 June 2025, the assets and liabilities attributable to this disposal subsidiary were stated at the lower of their carrying amount and fair value less costs to sell and comprised the following items, which not including the intra-group balances.

	At 30 June 2025 RMB'000
Property, plant and equipment	66,126
Intangible assets	845
Prepayments, deposits and other receivables	17,794
Cash and cash equivalents	112
Assets held for sale	84,877
Payables for construction in progress, other payables and accruals	40,530
Liabilities held for sale	40,530

(b) Cumulative income or expenses included in other comprehensive income

There is no cumulative income or expenses included in other comprehensive income relating to the disposal subsidiary.

(c) Measurement of fair values

The non-recurring fair value measurement for the disposal subsidiary was based on the consideration negotiated between the Group and Changxia Jinrui Energy Co., Ltd., which has been categorised as Level 1 fair value.

18 Trade and bills payables

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables	267,541	276,796
Bills payables	201,134	312,218
	468,675	589,014

As at 30 June 2025, retention payables in respect of construction contracts are included in trade payables with amount of RMB155,622,000 (31 December 2024: RMB156,837,000) which are normally repayable more than 1 year. The average credit period on purchase of goods is approximately one year (2024: one year).

As at 30 June 2025, the maturity date of bills payables was within 6 months (31 December 2024: within 6 months).

18 Trade and bills payables (continued)

An ageing analysis of the trade payables based on invoice date is as follows:

	<i>At 30 June</i> 2025 RMB'000	<i>At 31 December</i> 2024 RMB'000
Within 3 months	8,451	19,131
3 to 6 months	5,204	6,947
6 to 12 months	13,636	19,127
1 to 2 years	26,533	15,796
Over 2 years	213,717	215,795
	<u>267,541</u>	<u>276,796</u>

19 Bank borrowings

The interest rate risk exposure of the Group's bank borrowings are as follows:

	<i>At 30 June</i> 2025 RMB'000	<i>At 31 December</i> 2024 RMB'000
Fixed rate bank borrowings	220,801	195,396
Variable rate bank borrowings	6,998,028	5,539,161
	<u>7,218,829</u>	<u>5,734,557</u>
Analysed for reporting purposes as:		
Current liabilities	1,012,624	924,967
Non-current liabilities	6,206,205	4,809,590
	<u>7,218,829</u>	<u>5,734,557</u>

The ranges of effective interest rates on the Group's bank borrowings are as follows:

	<i>At 30 June</i> 2025 RMB'000	<i>At 31 December</i> 2024 RMB'000
Effective interest rate:		
Variable rate bank borrowings	1.60%-4.35%	2.20%-5.00%
Fixed rate bank borrowings	<u>2.45%-3.95%</u>	<u>2.60%-3.95%</u>

20 Other borrowings

During the six months ended 30 June 2025, the Group has entered into agreements (the “Agreements”) with certain PRC financial institutions (the “Financial Institutions”) and the Group drew down RMB2,256,290,000 (the corresponding period of 2024: RMB1,721,104,000) in aggregate from the Financial Institutions of which RMB359,433,000 (the corresponding period of 2024: RMB168,000,000) was received in the form of bank-acceptance bills, except for the above-mentioned borrowings, the Financial Institutions directly paid RMB7,350,000 to third parties on behalf of the subsidiaries of the Company. Such borrowings are to be repayable in 2025 to 2040 with variable interest rate ranging from 3.00%-3.95% per annum (the corresponding period of 2024: ranging from 3.75%-4.30% per annum).

21 Payables for construction in progress, other payables and accruals

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Payables for construction in progress	2,193,370	2,350,537
Retention payables	629,662	726,168
Dividend payables (note (i))	251,442	-
Payables for acquisition of a subsidiary	-	12,200
Other payables and accruals	138,276	193,366
	<u>3,212,750</u>	<u>3,282,271</u>
Less: balances repayable after one year and shown under non-current liabilities	<u>(633,227)</u>	<u>(730,050)</u>
Current portion classified under current liabilities	<u>2,579,523</u>	<u>2,552,221</u>

Note:

- (i) The annual general meeting of shareholders held by the Company on 23 May 2025 resolved to declare a final dividend of HK\$0.035 per ordinary share in respect of the year ended 31 December 2024 and the Company accrued dividend payables of RMB251,442,000 as at 30 June 2025 accordingly.

22 Share capital

(a) Share capital

Ordinary shares issued of HK\$0.01 each:

	No. of shares '000	Nominal value RMB'000
As at 1 January 2025	7,982,039	68,390
Cancellation of ordinary shares (note (i))	<u>(104,360)</u>	<u>(968)</u>
As at 30 June 2025	<u>7,877,679</u>	<u>67,422</u>

22 Share capital (continued)

Note:

- (i) During the six months ended 30 June 2025, the Group repurchased a total of 104,360,000 ordinary shares of the Company from the market for a total consideration of RMB42,051,000. 104,360,000 ordinary shares of the Company with total par value of RMB968,000 were cancelled and the exceed of costs of repurchase over the par value of the shares was charged to share premium.

(b) Treasury shares

As at 30 June 2025, 58,400,000 ordinary shares are held as treasury shares of the Company (31 December 2024: 75,650,000 ordinary shares).

23 Share award schemes

According to the share award scheme approved by the board of the Company on 18 October 2021, 17,250,000 shares were vested and have been fully executed on 15 February 2025.

The Group recognised a total expense of RMB188,000 for the six months ended 30 June 2025 (the corresponding period of 2024: RMB4,074,000) in relation to the share award scheme.

24 Commitments

Capital expenditure:

	<i>At 30 June 2025 RMB'000</i>	<i>At 31 December 2024 RMB'000</i>
Contracted for but not provided in these consolidated financial statements:		
Property, plant and equipment	<u>2,374,672</u>	<u>2,680,010</u>

Investment commitments:

As at 30 June 2025 and 31 December 2024, the Group has no investment commitments.

25 Related party transactions

Save as disclosed elsewhere in these consolidated financial statements, the following material transactions were carried out by the Group with related parties during the six months ended 30 June 2025:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	RMB'000	RMB'000
Provision of services and sales of goods to associates and joint ventures (note (i))	4,807	3,994
Guarantee income and interest income from associates and a joint venture	2,346	5,889
Finance lease income of associates and a joint venture (note (ii))	1,441	2,319
Services received from a joint venture	69,489	95,893
Loans provided to associates and joint ventures	182,500	-
Recovery of loans provided to associates and joint ventures	227,036	-
Recovery of financing lease receivables from associates and joint ventures	30,111	11,585

Notes:

- (i) The terms and conditions of sales of goods and provision of services were mutually agreed by both parties.
- (ii) Finance lease income arose from associates and a joint venture with interest rate ranging from 4.75% to 6.55% per annum during the period.

26 Fair value measurements of financial instruments

In estimating the fair value of financial assets and financial liabilities, the Group uses market-observable data of the extent it is available. Where Level 1 inputs are not available, the Group determines the appropriate valuation techniques and inputs for fair value measurements and works closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of financial instruments that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis. The following tables give information about how the fair values of these financial assets and financial liabilities are determined.

	<i>Fair value hierarchy</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	RMB'000	RMB'000	RMB'000	RMB'000
At 30 June 2025				
<i>Financial assets at FVTPL</i>				
Unlisted equity securities	-	-	180,659	180,659
Listed fund, at fair value	-	18,239	-	18,239
Monetary wealth management products	-	-	10,000	10,000
Contingent consideration in disposal of subsidiaries	-	-	30,048	30,048
Bills receivables, at FVTPL	-	43,508	-	43,508

There were no transfers between level 1 and 2 during the six months ended 30 June 2025 and the year ended 31 December 2024, and there were no transfers into or out of Level 3 during both periods.

26 Fair value measurements of financial instruments (continued)

Information of level 2 and level 3 fair value measurement is as follows:

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 June 2025 (RMB'000)	31 December 2024 (RMB'000)			
Unlisted equity securities	180,659	180,890	Level 3	Income approach—in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investees, based on an appropriate discount rate. Comparable market value - in this approach, the fair value of unlisted equity instruments is determined at the price of the most recent financing.	Long-term pre-tax operating margin, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 44% to 48% (2024: 44% to 48%). Discount rate of 12% (2024:12%) determined using a Capital Asset Pricing Model (note (a)).
Wealth management products	10,000	-	Level 3	Discounted cash flow method was used to capture the present value of the contracted cash flows discounted at a rate that reflects the market credit risk.	Basic performance comparison benchmark
Contingent consideration in disposal of subsidiaries	30,048	33,279	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow into the Group arising from the contingent consideration, based on an appropriate discount rate.	Probability to meet the conditions set out in the share purchase agreements, including whether and when the disposed power plants could be registered in the List (note (b)).
Bills receivables, at FVTPL	43,508	126,546	Level 2	Discounted cash flow method was used to capture the present value of the contracted cash flows discounted at a rate that reflects the market credit risk.	N/A
Hong Kong dollar money market fund	18,239	-	Level 2	Discounted cash flow method was used to capture the present value of the contracted cash flows discounted at a rate that reflects the market credit risk.	N/A

Notes:

- (a) An increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the unlisted equity securities, and vice versa. A 5% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the unlisted equity securities by RMB936,000 and RMB987,000, respectively (31 December 2024: RMB948,000 and RMB998,000, respectively).
- (b) A decrease in probability for satisfying the conditions stipulated in the equity transfer agreement, such as obtaining a construction project permit and land ownership certificate would result in a decrease in the fair value measurement of the contingent consideration, and vice versa.

26 Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurement

	<i>Contingent consideration in disposal of subsidiaries RMB'000</i>	<i>Unlisted equity securities RMB'000</i>	<i>RMB wealth management products RMB'000</i>
Balance as at 1 January 2025	33,279	180,890	-
Addition	-	-	919,530
Settlement	-	-	(913,685)
Fair value changes	(3,231)	-	4,155
Exchange differences	-	(231)	-
Balance as at 30 June 2025	<u>30,048</u>	<u>180,659</u>	<u>10,000</u>
Balance as at 1 January 2024	50,433	69,659	-
Addition	-	106,686	2,397,563
Settlement	(17,154)	(2,203)	(2,410,541)
Fair value changes	-	3,744	12,543
Exchange differences	-	3,004	435
Balance as at 31 December 2024	<u>33,279</u>	<u>180,890</u>	<u>-</u>

Fair value of financial instruments that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the condensed consolidated statement of financial position, together with the interest accruals, approximate their respective fair values at the end of the reporting period.

27 Comparative figures

During the six months ended 30 June 2024, the revenue derived from certain transactions was recognised with gross basis, the Group has revisited the arrangement and related revenue has been reflected in consolidated financial statements for the year ended 31 December 2024 with net basis. The Group has adjusted comparative figures related to revenue and cost of sales and services rendered for the six months ended 30 June 2024. These adjustments have no impact on the Group's profit for the six months ended 30 June 2024 and retained earnings as at 1 January 2025.

APPENDIX C – COMPARISON OF SELECTED BERMUDA CORPORATE LAW PROVISIONS AND SINGAPORE CORPORATE LAW PROVISIONS

COMPARISON OF BERMUDA AND SINGAPORE CORPORATE LAW

The following table sets forth a summary of certain differences between the provisions of the laws of Bermuda applicable to our Company (namely, the Bermuda Companies Act) and the laws applicable to Singapore-incorporated companies (namely, the Singapore Companies Act) and their shareholders. The summaries below are not to be regarded as advice on Bermuda corporate law or the differences between it and the laws of any jurisdiction, including, without limitation, the Singapore Companies Act. The summaries below do not purport to be a comprehensive description of all of the rights and privileges of shareholders conferred by the Bermuda Companies Act as compared to the Singapore Companies Act that may be relevant to shareholders and prospective investors. In addition, shareholders and prospective investors should also note that the laws applicable to Singapore-incorporated companies and Bermuda exempted companies may change, whether as a result of proposed legislative reforms to the Singapore Companies Act or the Bermuda Companies Act, as the case may be, or otherwise. In addition, the summaries below do not describe the regulations and requirements prescribed by the Listing Manual.

Our Company is incorporated in the Bermuda as an exempted company and is therefore subject to the Bermuda Companies Act. Our Company's corporate affairs are governed by our Memorandum of Association and Bye-Laws and the provisions of applicable Bermuda laws, including Bermuda common law.

	Bermuda Corporate Law	Singapore Corporate Law
Power of Directors to Allot and Issue Shares	Subject to any limitations or provisions to the contrary in a company's memorandum of association or bye-laws, the unissued shares and treasury shares of a company are generally at the disposal of the directors who may, without limiting or affecting any rights previously conferred on the holders of any existing shares or class or series of shares, offer, allot or otherwise dispose of shares to such persons, at such times and upon such terms as a company may by resolution of directors determine.	The power to issue shares in a company is usually vested with the directors of that company, subject to any restrictions in the constitution of that company. However, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares, or the share issue is void under the Singapore Companies Act. Such approval may be confined to a particular exercise of that power or may apply to the exercise of that power generally and, once given, will only continue in force until the conclusion of the annual general meeting commencing next after the date on which the approval was given or the expiration of the period within which the next annual general meeting after that date is required by law to be held, whichever is the earlier, provided that such approval has not been previously revoked or varied by the company in a general meeting.
Power of Directors to Dispose of the Issuer's or any	The Bermuda Companies Act contains no specific restrictions on the power of directors to dispose of assets of a company, although it specifically	The Singapore Companies Act provides that the business of a company is to be managed by or under the direction or supervision of the

	Bermuda Corporate Law	Singapore Corporate Law
of its Subsidiaries' Assets	requires that every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Furthermore, the Bermuda Companies Act requires that every officer should comply with the Bermuda Companies Act, regulations passed pursuant to the Bermuda Companies Act and the bye laws of the company. The directors of a company may, subject to the bye-laws of the company, exercise all the powers of the company except those powers that are required by the Bermuda Companies Act or the bye-laws to be exercised by the members of the company.	directors. The directors may exercise all the powers of a company except any power that the Singapore Companies Act or the constitution of the company require the company to exercise in general meeting. Under the Singapore Companies Act, prior approval of the company at a general meeting is required before the directors can carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property notwithstanding anything in the company's constitution.
Giving of Financial Assistance to Purchase the Issuer's or its Holding Company's Shares	There is no longer any statutory restriction in Bermuda on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in accordance with their fiduciary duties to the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.	Generally, a public company or a company whose holding company or ultimate holding company is a public company is prohibited from giving any financial assistance to any person directly or indirectly for the purpose of, or in connection with, the acquisition or proposed acquisition of that company's shares or shares in its holding company or ultimate holding company. Financial assistance includes the making of a loan, the giving of a guarantee, the provision of security, the release of an obligation or the release of a debt or otherwise. Certain transactions are specifically provided by the Singapore Companies Act as transactions not to be prohibited. These include, among others: (i) a distribution of a company's assets by way of dividends lawfully made; (ii) a distribution in the course of a company's winding up; (iii) a payment made by a company pursuant to a reduction of capital in accordance with the Singapore Companies Act; (iv) the giving by a company in good faith and in the ordinary course of commercial dealing of any representation, warranty or indemnity in relation to an offer to the public of, or an invitation to the public to subscribe for or purchase shares in the company; and (v) the entering into by

	Bermuda Corporate Law	Singapore Corporate Law
		the company, in good faith and in the ordinary course of commercial dealing, of an agreement with a subscriber for shares in the company permitting the subscriber to make payments for the shares by instalments. The Singapore Companies Act further provides that a company can give financial assistance in certain circumstances, including but not limited to: (a) where the amount of financial assistance, together with any other financial assistance given by the company under this exception repayment of which remains outstanding, does not exceed 10.0% of the aggregate of the total paid-up capital and reserves of the company as disclosed in the most recent financial statements of the company and the company receives fair value in connection with the financial assistance; (b) where the financial assistance does not materially prejudice the interests of the company, its shareholders or the company's ability to pay its creditors; and (c) where the company, by special resolution, resolves to give financial assistance for the purpose of, or in connection with, that acquisition, provided that certain conditions and procedures under the Singapore Companies Act are also complied with. Where the company is a subsidiary of a listed corporation or a subsidiary whose ultimate holding company is incorporated in Singapore, the listed corporation or the ultimate holding company, as the case may be, is also required to pass a special resolution to approve the giving of the financial assistance.
Loans to Directors	Bermuda law prohibits a company from (i) making loans to any of its directors (or any directors of its holding company) or to their spouse or children or to companies (other than a company which is a holding company or a subsidiary of the company making the	A company (other than an exempt private company) is prohibited from, among others, (a) making a loan or quasi-loan ¹⁶ to a director of the company or a director of a related company (a " relevant director ") (and to the spouse or natural, step or

¹⁶ A quasi-loan means a transaction under which one party (the "**creditor**") agrees to pay, or pays otherwise than in pursuance of an agreement, a sum for another (the "**borrower**") or agrees to reimburse, or reimburses otherwise than in pursuance of an agreement, expenditure incurred by another party for the borrower: (i) on terms that the borrower (or a person on his behalf) will reimburse the creditor; or (ii) in circumstances giving rise to a liability on the borrower to reimburse the creditor.

	Bermuda Corporate Law	Singapore Corporate Law
	loan, or as the case may be, of the company entering into guarantee or providing security in connection with a loan made to such director his spouse or children by any other person) in which they own or control directly or indirectly more than a twenty per cent. (20%) interest, or (ii) entering into any guarantee or providing any security in connection with a loan made to such persons as aforesaid by any other person, without the consent of any member or members holding in aggregate not less than nine-tenths of the total voting rights of all members having the right to vote at any meeting of the members of the company. These prohibitions do not apply to (a) anything done to provide a director with funds to meet the expenditure incurred or to be incurred by him for the purposes of the company, provided that the company gives its prior approval at a general meeting or, if not, the loan is made on condition that it will be repaid within six (6) months of the next following annual general meeting or in the case of a company that has made an election to dispense with annual general meetings in accordance with the Bermuda Companies Act, at or before the next following general meeting which shall be convened within 12 months of the authorisation of the making of the loan, if the loan is not approved at or before such meeting, (b) in the case of a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, anything done by the company in the ordinary course of that business, or (c) any advance of moneys by the company to any officer or auditor under section 98(2)(c) of the Bermuda Companies Act which allows the company to advance moneys to an officer or auditor of the company for the costs incurred in defending any civil or criminal proceedings against them, on condition that the officer or auditor shall repay the advance if any allegation of fraud or dishonesty is proved against	adopted children of any such director); (b) entering into any guarantee or providing any security in connection with a loan or quasi-loan made to a relevant director by any other person; (c) entering into a credit transaction¹⁷ as creditor for the benefit of a relevant director; and (d) entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of a relevant director (the “restricted transactions”), except in the following circumstances, where a transaction which would otherwise be a restricted transaction is: • (subject to, among others, the approval of the company in a general meeting) made to or for the benefit of a relevant director to meet expenditure incurred or to be incurred for the purposes of the company or for the purpose of enabling him to properly perform his duties as an officer of the company; • (subject to, among others, the approval of the company in a general meeting) made to or for the benefit of a relevant director who is engaged in full-time employment of the company or a related corporation, as the case may be, for the purpose of purchasing or otherwise acquiring a home occupied or to be occupied by that director; however, not more than one (1) such restricted transaction may be outstanding from the director at any one (1) time; • made to or for the benefit of a relevant director who is engaged in full-time employment of the company or a related corporation as the case may be, where the company has at a general meeting approved of a scheme for the making of such transaction to or for the benefit of employees of the company, and the restricted

¹⁷ A credit transaction means a transaction under which one party (the “**creditor**”): (i) supplies any goods or disposes of any immovable property under a hire-purchase agreement or a conditional sale agreement; (ii) leases or hires any immovable property or goods in return for periodic payments; or (iii) otherwise disposes of immovable property or supplies goods or services on the understanding that payment (whether in a lump sum or instalments or by way of periodic payments or otherwise) is to be deferred.

	Bermuda Corporate Law	Singapore Corporate Law
	them. If the approval of the company is not given for a loan, the directors who authorised it will be jointly and severally liable for any loss arising therefrom.	transaction is in accordance with that scheme; and made to or for the benefit of a relevant director in the ordinary course of business by a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans, quasi-loans or credit transactions made or entered into by other persons if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the MAS. For these purposes, a related corporation of a company means its holding company, its subsidiary or a subsidiary of its holding company. A company (the “first mentioned company”) (other than an exempt private company) is also prohibited from, among others, (a) making a loan or quasi-loan to another company, a limited liability partnership or a variable capital company (“VCC”); (b) entering into any guarantee or providing any security in connection with a loan or quasi-loan made to another company, a limited liability partnership or a VCC by a person other than the first mentioned company; (c) entering into a credit transaction as creditor for the benefit of another company, a limited liability partnership or a VCC; and (d) entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of another company, a limited liability partnership or a VCC, if the director(s) of the first mentioned company (and the spouse, natural step and adopted children of such director(s)), individually or collectively, have an interest in 20.0% or more of the total voting power in the other company, the limited liability partnership or the VCC, as the case may be, unless there is prior approval by the company in general meeting for the making of, provision for or entering into the loan, quasi-loan, credit transaction, guarantee or security (as the case may be) at which the

	Bermuda Corporate Law	Singapore Corporate Law
		interested director(s) and his or their family members abstained from voting. This prohibition does not apply to: • anything done by a company where the other company (whether incorporated in Singapore or otherwise) or VCC is its subsidiary, holding company or a subsidiary of its holding company; or • a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the company in the ordinary course of that business if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the MAS.
Transactions Affecting Share Capital	The Bermuda Companies Act contains provisions relating to the reduction of share capital, and the redemption and repurchase of shares. These procedures are also regulated by any provisions relating thereto in the company's memorandum and bye-laws.	The Singapore Companies Act contains provisions relating to share capital reductions, permitted share buy-backs and redeemable preference shares.
Mergers and Similar Arrangements	The amalgamation or merger of a Bermuda company with another company or corporation requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders. Under the Bermuda Companies Act, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favour of the amalgamation or merger and is not satisfied that fair value has been offered for such shareholder's shares may, within one (1) month of notice of the shareholders meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares. Under the Bermuda Companies Act, where a compromise or arrangement is proposed between a company and its creditors or any class of them or	The Singapore Companies Act provides that the Singapore courts have the authority, in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two (2) or more companies, and where under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (the transferor company) is to be transferred to another company (the transferee company), to order the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company. Such power only exists in relation to any corporation liable to be wound up under the Singapore Companies Act. The Singapore Companies Act further provides for a voluntary amalgamation process without the need for a court order. Under this voluntary

	Bermuda Corporate Law	Singapore Corporate Law
	between a company and its members or any class of them, the Supreme Court of Bermuda may, on the application of the company or of any creditor or member of the company, or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be summoned in such manner as the Supreme Court of Bermuda directs.	amalgamation process, two (2) or more Singapore incorporated companies may amalgamate and continue as one (1) company, which may be one of the amalgamating companies or a new company, in accordance with the procedures set out in the Singapore Companies Act. As part of these procedures, the board of directors of each of the amalgamating companies must make a solvency statement in relation to both the amalgamating company and the amalgamated company. The Singapore Companies Act also provides for a short form amalgamation procedure for (a) the amalgamation of a Singapore-incorporated company (the amalgamating holding company) with one (1) or more of its wholly-owned subsidiaries (the amalgamating subsidiary company); and (b) two (2) or more wholly-owned Singapore incorporated subsidiary companies of the same corporation. The Singapore Companies Act does not provide for appraisal rights to the shareholders of a company in connection with a merger.
Remuneration	There is no express provision in the Bermuda Companies Act regulating remuneration for directors.	The Singapore Companies Act provides that a company shall not at any meeting or otherwise provide emoluments or improve emoluments for a director in respect of his office as such unless the provision has been approved by a resolution that is not related to other matters, and any resolution passed in breach of this provision is void. For this purpose, the term “emoluments” in relation to a director includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to income tax in Singapore, any contribution paid in respect of a director under any pension scheme, and any benefits received by him otherwise than in cash in respect of his services as a director.
Disclosure of Interest in Contracts with the Company	The Bermuda Companies Act provides that, among other things, an officer of a company shall be deemed not to be acting honestly and in good faith if he fails to disclose at the first opportunity	The Singapore Companies Act provides that, where a director or chief executive officer of a company is in any way, whether directly or indirectly, interested in a transaction or proposed

	Bermuda Corporate Law	Singapore Corporate Law
	at a meeting of directors or by writing to the directors (i) his interest in any material contract or proposed material contract with the company or any of its subsidiaries; (ii) his material interest in any person that is a party to a material contract or proposed material contract with the company or any of its subsidiaries. For the purposes of the foregoing (a) a general notice to the directors of a company by an officer of the company declaring that he is an officer of or has a material interest in a person and is to be regarded as interested in any contract with that person is a sufficient declaration of interest in relation to any such contract; (b) the word “material” in relation to a contract or proposed contract shall be construed as relating to the materiality of that contract or proposed contract in relation to the business of the company to which disclosure must be made; and (c) an interest occurring by reason of the ownership or direct or indirect control of not more than 10% of the capital of a person shall not be deemed material.	transaction with that company, such a director or chief executive officer must, as soon as practicable after the relevant facts have come to his knowledge, (a) declare the nature of his interest at a meeting of the directors of the company; or (b) send a written notice to the company containing details on the nature, character and extent of his interest in the transaction or proposed transaction with the company. The Singapore Companies Act also provides that every director and chief executive officer of a company who holds any office or possesses any property whereby whether directly or indirectly, any duty or interest might be created in conflict with their duties or interests as director or chief executive officer shall (i) declare at a meeting of the directors of the company the fact and the nature, character and extent of the conflict; or (ii) send a written notice to the company setting out the fact and the nature, character and extent of the conflict. For these purposes, an interest of a member of a director’s or chief executive officer’s family (this includes his or her spouse, natural, step or adopted children) is treated as an interest of that director or chief executive officer.
Appointment, Qualification, Retirement, Resignation and Removal of Directors	(a) Number Qualification and Appointment of Directors	
	The Bermuda Companies Act provides that, among other things, the affairs of the company shall be managed by at least one (1) director who shall be a person elected in the first place at the statutory meeting and thereafter elected or appointed by the members at each annual general meeting of the company or in such other manner and for such term as may be provided in the bye-laws. A maximum number of directors may be determined by the members at a general meeting of the company or in such other manner as may be provided in the bye-laws. Where a maximum number of directors has been so determined, a general meeting of a company may authorise the directors of the company to elect or appoint on their	Under the Singapore Companies Act, every company must have at least one (1) director who is ordinarily resident in Singapore. Where the company has only one (1) member, that sole director may also be the sole member of the company. No person other than a natural person who has attained the age of 18 and who is otherwise of full legal capacity shall be a director of a company. Every director, who is by the constitution of the company required to hold a specified share qualification and who is not already qualified, must obtain his qualification within two (2) months after his appointment or such shorter period as is fixed by the constitution.

	Bermuda Corporate Law	Singapore Corporate Law
	behalf a person or persons to act as additional directors up to such maximum. There is no shareholding qualification for directors nor is there any provisions relating to retirement of directors upon reaching any age limit under the Bermuda Companies Act.	In the case of a public company, the appointment of directors at a general meeting must generally be voted on individually. A motion for the appointment of two (2) or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution passed in pursuance of a motion made in contravention of this shall be void, whether or not its being so moved was objected to at the time. The Singapore Companies Act does not contain provisions on the age limit of directors.
Appointment, Qualification, Retirement, Resignation and Removal of Directors	(b) Disqualification of Directors	
	The Bermuda Companies Act provides that, among other things, if any person being an undischarged bankrupt in any country acts as director of, or directly or indirectly takes part in or is concerned in the management of, any company except with the leave of the Supreme Court of Bermuda, he shall be liable on conviction on indictment to imprisonment for a term of two (2) years, or on summary conviction to imprisonment for a term of six (6) months or to a fine of 500 dollars or to both such imprisonment and fine, provided that a person shall not be guilty of an offence under this section by reason that he, being an undischarged bankrupt, has acted as director of, or taken part or been concerned in the management of, a company, if he was on 1 July 1983 acting as a director of that company or taking part or being concerned in its management.	Under the Singapore Companies Act, a person may not act as a director of, or directly or indirectly take part in or be concerned in the management of, any corporation if he is an undischarged bankrupt unless he has the leave of the Singapore courts or the written permission of the Official Assignee appointed under the Insolvency, Restructuring and Dissolution Act 2018 of Singapore to do so. A person may be disqualified from acting as a director of a company by the Singapore courts for a period not exceeding five (5) years if: (a) he is or has been a director of a company which has at any time gone into liquidation (whether while he was a director or within three (3) years of his ceasing to be a director) and was insolvent at that time; and (b) his conduct as director of that company either taken alone or taken together with his conduct as a director of any other company or companies makes him unfit to be a director of or in any way, whether directly or indirectly, be concerned in, or take part in, the management of a company. A person may, subject to certain exceptions, also be disqualified from acting as a director by the Singapore courts for a period of three (3) years from the date of the making of the

	Bermuda Corporate Law	Singapore Corporate Law
		winding up order if he is a director of a company which is ordered to be wound up by the Singapore courts on the ground that it is being used for purposes against national security or interest. He could also be disqualified on other grounds, such as conviction of any offence (whether in Singapore or elsewhere) involving fraud or dishonesty which is punishable with imprisonment for three (3) months or more, or any offence under Part 12 of the SFA where the conviction was on or after 1 July 2015 or where he is subject to the imposition of a civil penalty under section 232 of the SFA on or after 1 July 2015. The Singapore courts may also make a disqualification order against a person who is convicted in Singapore of any offence in connection with the formation or management of a corporation, any offence under sections 157 or 396B of the Singapore Companies Act or any offence under sections 237 or 239 of the Insolvency, Restructuring and Dissolution Act 2018. A director may also be disqualified because of persistent default in relation to delivery of documents to the Registrar of Companies of Singapore. A person could be the subject of a debarment order made against him by the Registrar of Companies of Singapore, if the Registrar of Companies of Singapore is satisfied that a company of which he is a director at the time the order is made is in default of a relevant requirement of the Singapore Companies Act. A person who has a debarment order made against him may not act as director of any company (except in respect of a company of which he was a director immediately before the order was made), and the debarment order applies from the date the order is made and continues in force until the Registrar of Companies of Singapore cancels or suspends the order.
Appointment, Qualification,	(c) Resignation of Directors	

	Bermuda Corporate Law	Singapore Corporate Law
Retirement, Resignation and Removal of Directors	There is no express provision in the Bermuda Companies Act regulating resignation of a director of a Bermuda company.	Under the Singapore Companies Act, a director of a company cannot resign or vacate his office unless there is remaining in the company at least one (1) director who is ordinarily resident in Singapore, and any purported resignation or vacation of office in breach of this provision is deemed to be invalid. Subject to the provisions of the Singapore Companies Act, unless the constitution of the company otherwise provides, a director's resignation is effective by giving written notice to the company, and his resignation is not conditional upon the company's acceptance of such resignation.
Appointment, Qualification, Retirement, Resignation and Removal of Directors	(d) Removal of Directors Subject to its bye-laws the members of a company may at a special general meeting called for that purpose remove a director, provided that notice of any such meeting shall be served on the director concerned not less than 14 days before the meeting and he shall be entitled to be heard at such meeting, and provided further that nothing in this section shall have effect to deprive any person of any compensation or damages which may be payable to him in respect of the termination of his appointment as a director or of any other appointment with the company. A vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director in his place or in the absence of any such election by the other directors.	A director of a public company may be removed before the expiration of his period of office by an ordinary resolution (which requires special notice of not less than 28 days before the meeting to be given in accordance with the provisions of the Singapore Companies Act) of the shareholders, notwithstanding anything in the constitution of that company or in any agreement between that company and the director, but where any director so removed was appointed to represent the interests of any particular class of shareholders or debenture holders, the resolution to remove him shall not take effect until his successor has been appointed. Subject to the provisions of the Singapore Companies Act, the constitution of a company may prescribe the manner in which a director may be removed from office before the expiration of his term of office.
Alteration of Governing Documents	(a) Alteration of Constitution, Memorandum of Association and Bye-Laws The memorandum of association may, with the consent of the Minister of Finance of Bermuda (if required), be altered by the company in general meeting. The directors of a Bermuda company may after its registration amend the bye-laws but any such	Unless otherwise provided in the Singapore Companies Act, a company's constitution may be altered by way of special resolution, except that any entrenching provision in the constitution and any provision contained in the constitution before 1

	Bermuda Corporate Law	Singapore Corporate Law
	amendment shall be submitted to a general meeting of the company, which shall become operative only to such extent as they are approved at such meeting. Under the Bermuda Companies Act, the holders of an aggregate of not less than 20% in par value of a company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment that alters or reduces a company's share capital as provided in the Bermuda Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Bermuda court. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as such holders may appoint in writing for such purpose. No application may be made by the shareholders voting in favour of the amendment.	April 2004 which could not be altered before that date may be removed or altered only if all members of the company agree. For these purposes, the term “entrenching provision” means a provision of the constitution of a company to the effect that other specified provisions of the constitution: (a) may not be altered in the manner provided by the Singapore Companies Act; or (b) may not be so altered except by a resolution passed by a specified majority greater than 75.0%, or where other specified conditions are met. Unless otherwise provided in the Singapore Companies Act, any alteration to the constitution of the company takes effect on and from the date of the special resolution approving such alteration or such later date as is specified in the resolution. Subject to Section 33 of the Singapore Companies Act, a company may by special resolution alter the provisions of its constitution with respect to the objects of the company, if any. Where a company proposes to alter its constitution, with respect to the objects of the company, it shall give 21 days' written notice by post or by electronic communications in accordance with the provisions of the Singapore Companies Act, specifying the intention to propose the resolution as a special resolution and to submit it for passing at a meeting of the company to be held on a day specified in the notice. Notwithstanding any other provision of the Singapore Companies Act, a copy of the resolution altering the objects of a company shall not be lodged with the Registrar, among others, before the expiration of 21 days after the passing of the resolution, and a copy of the resolution shall be lodged with the Registrar within 14 days after the expiration of the 21-day period, on compliance with which the alteration, if any, of the objects shall take effect.
	(b) Alteration of articles of association	

	Bermuda Corporate Law	Singapore Corporate Law
Alteration of Governing Documents	Please refer to (a) in respect of bye-laws.	The same provisions in (a) above apply here.
Variation of Rights Attached to Shares	The Bermuda Companies Act includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. Where provision is made by the memorandum of association or bye-laws for authorising the variation of rights attached to any class of shares in the company, the consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required, and where no provision for varying such rights is made in the memorandum of association or bye-laws and nothing therein precludes a variation of such rights, the written consent of the holders of three-fourths of the issued shares of that class or the sanction of a resolution passed as aforesaid is required. Where the rights attached to any such class of shares are at any time so varied, the holders of not less in the aggregate than ten per cent. (10%) of the issued shares of that class, may apply to the Supreme Court of Bermuda to have the variation cancelled, and, where any such application is made, the variation shall not have effect unless and until it is confirmed by the Supreme Court of Bermuda. The Supreme Court of Bermuda may, after hearing such application, if it is satisfied, having regard to all the circumstances of the case, that the variation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation and shall, if not so satisfied, confirm the variation. The decision of the Supreme Court of Bermuda on any such application shall be final.	Under the Singapore Companies Act, if a provision is made in the constitution of a company for authorising the variation or abrogation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of that provision such rights are at any time varied or abrogated, the holders of not less in aggregate than 5.0% of the total number of the issued shares of that class may apply to the Singapore courts to have the variation or abrogation cancelled in accordance with the Singapore Companies Act. The Singapore courts may, if satisfied, having regard to all the circumstances of the case, that the variation or abrogation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation or abrogation, and shall, if not so satisfied, confirm it and this decision shall be final.
Shareholders' Proposals	Under the Bermuda Companies Act, a company is required to convene an annual general meeting each calendar year. However, the shareholders may by resolution waive this requirement, either for a specific year or period of	Under the Singapore Companies Act, (a) any number of members representing not less than 5.0% of the total voting rights of all the members having at the date of requisition a right to vote at a meeting to which the

	Bermuda Corporate Law	Singapore Corporate Law
	time, or indefinitely. When the requirement has been so waived, any shareholder may, on notice to the company, terminate the waiver, in which case an annual general meeting must be called. Under the Bermuda Companies Act, a special general meeting of shareholders may be called by the board of directors of a company and must be called upon the request of shareholders holding not less than 10% of the paid-up capital of the company carrying the right to vote at general meetings. The Bermuda Companies Act also requires that shareholders be given at least five (5) days' advance notice of a general meeting, but the accidental omission to give notice to any person does not invalidate the proceedings at a meeting.	requisition relates; or (b) not less than 100 members holding shares on which there has been paid up an average sum, per member, of not less than S\$500, may requisition the company to give to members notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting, and circulate to members any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. Notwithstanding anything in its constitution, the directors of a company shall, on the requisition of members holding at the date of the deposit of the requisition not less than 10.0% of the total number of paid-up shares (excluding treasury shares) as at the date of the deposit carries the right of voting at general meetings or, in the case of a company not having a share capital, of members representing not less than 10.0% of the total voting rights of all members having at that date a right to vote at general meetings, immediately proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but in any case not later than two (2) months after the receipt by the company of the requisition. If the directors do not within 21 days after the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than 50.0% of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by directors convene a meeting, but any meeting so convened shall not be held after the expiration of three (3) months from that date. Under the Singapore Companies Act, two (2) or more members holding not less than 10.0% of the total number of issued shares of the company (excluding treasury shares) or, if the company has not a share capital, not less than 5.0% in number of the members of the company or such

	Bermuda Corporate Law	Singapore Corporate Law
		lesser number as is provided by the constitution may call a meeting of the company. A meeting of a company or of a class of members, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the constitution. Shorter notice can be given if, (i) in the case of an annual general meeting, all the members entitled to attend and vote thereat so agree; or (ii) in the case of any other meeting, a majority in number of the members having a right to attend and vote thereat, being a majority which together holds not less than 95.0% of the total voting rights of all the members having a right to vote at that meeting so agree.
Shareholders' Action by Written Consent	The Bermuda Companies Act provides that, among other things, save and except a resolution passed to remove any auditor of the company or removing a director before the expiration of his term of office, and subject to the by-laws of the company, anything which may be done by resolution of a company in general meeting or by resolution of a meeting of any class of the members of a company, may be done by resolution in writing.	Notwithstanding any other provision of the Singapore Companies Act, a private company or an unlisted public company may pass any resolution by written means (save for any resolution to dispense with the holding of annual general meetings or any resolution for which special notice is required) in accordance with the provisions of the Singapore Companies Act. There is no corresponding provision in the Singapore Companies Act which applies to a public listed company, whether listed in Singapore or elsewhere.
Shareholders' Suits and Protection of Minority Shareholders	Class actions and derivative actions are generally not available to members of a Bermuda company under the laws of Bermuda; however, the Bermuda court ordinarily may permit a shareholder to commence an action in the name of a Bermuda company to remedy a wrong done to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal or would result in the violation of the company's memorandum of association and bye laws. Further, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority members or where an act requires the approval of a greater	A member or a holder of a debenture of a company may apply to the Singapore courts for an order under section 216 of the Singapore Companies Act to remedy situations where: • a company's affairs are being conducted or the powers of the company's directors are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of the members, shareholders or holders of debentures of the company, including the applicant; or • a company has done an act, or threatens to do an act, or the members or holders of debentures

	Bermuda Corporate Law	Singapore Corporate Law
	percentage of members than that which actually approved it. Any member of the company who complains that the affairs of the company are being conducted or have been conducted in a manner oppressive or prejudicial to the interests of some part of the members, including himself, may petition the court which may, if it is of the opinion that to wind up the company would unfairly prejudice that part of the members but that otherwise the facts would justify the making of a winding up order on just and equitable grounds, make such order as it thinks fit, whether for regulating the conduct of the company's affairs in future or for the purchase of shares of any members of the company by other members of the company or by the company and in the case of a purchase by the company for the reduction accordingly of the company's capital, or otherwise. Bermuda law also provides that the company may be wound up by the Bermuda court if the court is of the opinion that it is just and equitable to do so. Both these provisions are available to minority members seeking relief from the oppressive conduct of the majority, and the court has wide discretion to make such order as it may think fit. Except as mentioned above, a person may claim against the company as a member pursuant to section 54A of the Bermuda Companies Act. However, such claims must be based on the general laws of contract or tort applicable in Bermuda.	have passed some resolution, or propose to pass some resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of the company's members or holders of debentures, including the applicant. Singapore courts have wide discretion as to the relief they may grant under such application, including, among others: (i) directing or prohibiting any act or cancelling or varying any transaction or resolution; (ii) providing that the company be wound up; or (iii) authorising civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court directs. In addition, a member of a company who is seeking relief for damage done to the company may bring a common law derivative action in certain circumstances against the persons who have done wrong to the company. Further, Section 216A of the Singapore Companies Act prescribes a procedure to bring a statutory derivative action or arbitration in the name and on behalf of a Singapore-incorporated company. The statutory procedure is available to, among others, a member of a company and any other person who, in the discretion of the court, is a proper person to make an application under section 216A of the Singapore Companies Act.
Winding Up	The winding-up of a Bermuda company is governed by the provisions of the Bermuda Companies Act and by the Companies (Winding-Up) Rules 1982 (the "Rules") and may be categorised as either a voluntary winding-up or a compulsory winding-up. (i) Voluntary Winding-Up: (aa) Members' Voluntary Winding-up – A members' voluntary winding-up is only possible if a company is solvent. A statutory declaration of solvency to the effect that a company is able to meet its	The winding up of a company may be done in the following ways: (a) members' voluntarily winding up; (b) creditors' voluntarily winding up; (c) court compulsory winding up; or (d) an order made pursuant to Section 216 of the Singapore Companies Act for the winding up of the company.

	Bermuda Corporate Law	Singapore Corporate Law
	debts within 12 months from the date of the commencement of its winding-up is sworn by a majority of the company's directors and filed with the Registrar. A general meeting of members is then convened which resolves that the company be wound-up voluntarily and that a liquidator be appointed. Once the affairs of the company are fully wound-up, the liquidator prepares a full account of the liquidation which he then presents to the company's members at a special general meeting called for that purpose. This special general meeting must be advertised in an appointed newspaper in Bermuda at least one (1) month before it is held. Within one (1) week after this special general meeting is held, the liquidator shall notify the Registrar that the company has been dissolved. (bb) Creditors' Voluntary Winding-up – A creditors' voluntary winding-up may occur where a company is insolvent and a statutory declaration of solvency cannot be sworn. A board meeting is convened which resolves to recommend to the members of the company that the company be placed into a creditors' voluntary winding-up. This recommendation is then considered and, if thought fit, approved at a special general meeting of the company's members and, subsequently, at a meeting of the company's creditors. Notice of the creditors' meeting must appear in an appointed newspaper on at least two (2) occasions and the directors must provide this meeting with a list of the company's creditors and a full report of the position of the company's affairs. At their respective meetings, the creditors and members are entitled to nominate a person or persons to serve as liquidator(s). In addition, the creditors are entitled to appoint a committee of inspection which, under Bermuda law, is a representative body of creditors who assist the liquidator during the liquidation.	The type of winding up depends, among others, on whether the company is solvent or insolvent.

	Bermuda Corporate Law	Singapore Corporate Law
	As soon as the affairs of the company are fully wound-up, the liquidator prepares his final account explaining the liquidation of the company and the distribution of its assets which he then presents to the company's members in a special general meeting and to the company's creditors in a meeting. Within one (1) week after the last of these meetings, the liquidator sends a copy of the account to the Registrar who proceeds to register it in the appropriate public records and the company is deemed dissolved three (3) months after the registration of this account. (ii) Compulsory Winding-Up: The courts of Bermuda may wind-up a Bermuda company on a petition presented by persons specified in the Bermuda Companies Act, which include the company itself and any creditor or creditors of the company (including contingent or prospective creditors) and any member or members of the company. Any such petition must state the grounds upon which the Bermuda court has been asked to wind-up the company and may include any of the following: (aa) that the company has by resolution resolved that it be wound-up by the Bermuda court; (bb) that the company is unable to pay its debts; and (cc) that the Bermuda court is of the opinion that it is just and equitable that the company be wound-up. The winding-up petition seeks a winding-up order and may include a request for the appointment of a provisional liquidator. Prior to the winding-up order being granted and the appointment of the provisional liquidator, an interim provisional liquidator may be appointed to administer the affairs of the company with a view to its winding-up until he is	

	Bermuda Corporate Law	Singapore Corporate Law
	relieved of these duties by the appointment of the provisional liquidator. As soon as the winding-up order has been made, the provisional liquidator summons separate meetings of the company's creditors and members in order to determine whether or not he should serve as the permanent liquidator or be replaced by some other person who will serve as the permanent liquidator and also to determine whether or not a committee of inspection should be appointed and, if appointed, the members of that committee. The provisional liquidator notifies the court of the decisions made at these meetings and the court makes the appropriate orders. A permanent liquidator's powers are prescribed by the Bermuda Companies Act. His primary role and duties are the same as a liquidator in a creditors' voluntary winding-up, namely to distribute the company's assets rateably amongst its creditors whose debts have been admitted. As soon as the affairs have been completely wound-up, the liquidator applies to the courts of Bermuda for an order that the company be dissolved and the company is deemed dissolved from the date of this order being made.	
Dissolution	Please refer to above.	A company may be dissolved: (a) through the process of liquidation pursuant to the winding up of the company; (b) in a merger or amalgamation of two (2) companies where the court may order the dissolution of one (1) after its assets and liabilities have been transferred to the other; or (c) when it is struck off the register by the Registrar of Companies of Singapore on the ground that it is a defunct company.

APPENDIX D – SUMMARY OF THE MEMORANDUM OF ASSOCIATION AND SELECTED BYE-LAWS OF OUR COMPANY AND BERMUDA CORPORATE LAW

The following are summaries of material provisions of our Memorandum of Association and Bye-Laws which are currently effective and will remain effective after this Introduction, insofar as they relate to the material terms of our Shares. The summary below does not purport to be complete and is qualified in its entirety by reference to our Memorandum of Association and Bye-Laws and the applicable provisions of the Bermuda Companies Act.

SUMMARY OF MEMORANDUM OF ASSOCIATION AND SELECTED BYE-LAWS OF OUR COMPANY

1. MEMORANDUM OF ASSOCIATION

The Memorandum of Association states, *inter alia*, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the Company is an exempted company as defined in the Bermuda Companies Act. The Memorandum of Association also sets out the objects for which the Company was formed which are unrestricted and that the Company has the capacity, rights, powers and privileges of a natural person.

As an exempted company, the Company will be carrying on business outside Bermuda from a place of business within Bermuda. In accordance with and subject to section 42A of the Bermuda Companies Act, the Memorandum of Association empowers the Company to purchase its own shares and pursuant to its Bye-Laws, this power is exercisable by the Board upon such terms and subject to such conditions as it thinks fit.

2. BYE-LAWS

The Bye-Laws were adopted on 15 September 2023. The following is a summary of certain provisions of the Bye-Laws:

(a) Shares

(i) Classes of shares

The authorised share capital of the Company consists of ordinary shares and preference shares.

(ii) Variation of rights of existing shares or classes of shares

If at any time the capital is divided into different classes of shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the shares of that class) may, subject to the provisions of the Bermuda Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Bye-Laws relating to general meetings shall *mutatis mutandis* apply, but so that (i) the necessary quorum (including at an adjourned meeting or postponed meeting) shall be not less than two (2) persons (or, in the case of a shareholder being a corporation, by its duly authorised representative) holding or representing by proxy one-third in nominal value of the issued shares of that class; and (ii) any holder of shares of the class present in person (or, in the case of a shareholder being a corporation, by a duly authorised representative) or by proxy may demand a poll.

(iii) Alteration of capital

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Bermuda Companies Act:

- (a) increase its share capital by the creating of new shares;
- (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing;
- (c) divide its shares into several classes;
- (d) sub divide its shares or any of them into shares of smaller amount than is fixed by the memorandum of association;
- (e) cancel any shares which, at the date of passing of the resolution, have not been taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled;
- (f) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (g) change the currency denomination of its share capital.

The Company may by special resolution, subject to any confirmation or consent required by law, reduce its issued share capital, any capital redemption reserve fund or, save for the use of share premium as expressly permitted by the Bermuda Companies Act, any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by law.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the stock exchange in the relevant territory or in such other form as the Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

The Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers. The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in Bermuda or such other place in Bermuda at which the principal register is kept in accordance with the Bermuda Companies Act.

The Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share option scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share (whether fully paid up or not) to more than four (4) joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as the Board may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one (1) class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register of members closed, on giving notice by advertisement in an appointed newspaper and in the newspapers or by any electronic means in such manner as may be accepted by the stock exchange in the relevant territory, at such times and for such periods as the Board may from time to time determine and either generally or in respect of any class of shares, provided that the register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(v) Power for the Company to purchase its own shares

The power of the Company to purchase its own shares is exercisable by the board upon such terms and conditions as it thinks fit.

(vi) Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Bye-Laws, at any general meeting on a show of hands every shareholder who is present in person or, in the case of a shareholder being a corporation by a duly authorised corporate representative, or by proxy shall have one (1) vote, and on a poll every shareholder present in person or, in the case of a shareholder being a corporation by a duly authorised corporate representative, or by proxy shall have one (1) vote for every share of which he/it is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of the Bye-Laws as paid up on the share).

A member entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

If a clearing house (or its nominee) is a shareholder of the Company, it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or representatives, to the extent permitted by the Bermuda Companies Act, at any meeting of the Company or at any meeting of any class of shareholders of the Company provided that, if more

than one proxy or, corporate representative is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy or corporate representative is so appointed. A person so appointed under the provisions of the Bye-Laws shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise as if it were an individual shareholder including the right to speak and to vote and, where a show of hands is allowed, the right to vote individually on a show of hands.

There are no limitations under the laws of Bermuda or our Memorandum of Association and Bye-Laws on the right of non-Bermudians or non-residents of Bermuda to hold or vote our Shares in accordance with the Bye-Laws. Under the Bye-Laws, all shareholders have the right to speak and vote at a general meeting except where a shareholder is required to abstain from voting to approve the matter under consideration.

Where the Company has any knowledge that any shareholder is required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(vii) Call on shares and forfeiture of shares

The Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may fix from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.

The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or instalments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than 14 clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall

in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three (3), then the number nearest to but not less than one-third) will retire from office by rotation provided that every Director shall be subject to retirement at least once every three (3) years. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the members in general meeting. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director 14 days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2). There is no maximum number of Directors unless otherwise determined from time to time by members of the Company.

There is no shareholding qualification for Directors nor is there any provisions relating to retirement of Directors upon reaching any age limit.

The Board may from time to time appoint any one (1) or more of its body to the office of managing director, joint managing director, deputy managing director or other executive director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with the Bye-Laws. Every Director so appointed shall, but without prejudice to any claim for damages for breach of any contract of service between himself and the Company, be liable to be dismissed or removed there from by the Board.

The Board may delegate any of its powers to committees consisting of such member or members of its body and such other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in

the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Without prejudice to any special rights or restrictions for the time being attaching to any shares or any class of shares, any share may be issued upon such terms and conditions and with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine) and any preference share may, subject to the Bermuda Companies Act and with the sanction of a special resolution, be issued on the terms that it is liable to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company or, if so authorised by the Memorandum of Association, at the option of the holder.

The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

All unissued shares in the Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Bye-Laws relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Bye-Laws or the Bermuda Companies Act to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The Board may from time to time at its discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.

(v) Remuneration

The Directors shall be entitled to receive by way of remuneration for their services as Directors such sum as shall from time to time be determined by the Company in general meeting, such remuneration (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director holding office for less than the whole of the relevant period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office.

The Directors shall also be entitled to be repaid all traveling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors, including their expenses of traveling

to and from Board meetings, committee meetings or general meetings or otherwise incurred whilst engaged in the business of the Company or in the discharge of their duties as Directors.

The Board may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as the Board may determine.

The remuneration of a managing director, joint managing director, deputy managing director or an Executive Director or a Director appointed to any other office in the management of the Company may from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds or personal pension plans for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or is allied or associated with the Company or with any such subsidiary company, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, or holding or who have held by salaried employment or office in the Company or such other company, and the spouses, widows, widowers, families and dependants of any such persons.

(vi) Compensation or payments for loss of office

Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

There are no provisions in the Bye-Laws relating to the making of loans to Directors. However, the Bermuda Companies Act contains restrictions on companies making loans or providing security for loans to their directors. Bermuda law prohibits a company from (i) making loans to any of its directors (or any directors of its holding company) or to their spouse or children or to companies (other than a company which is a holding company or a subsidiary of the company making the loan, or as the case may be, of the company entering into guarantee or providing security in connection with a loan made to such director his spouse or children by any other person) in which they own or control directly or indirectly more than a twenty per cent. (20%) interest, or (ii) entering into any guarantee or providing any security in connection with a loan made to such persons as aforesaid by any other person, without the consent of any member or members holding in aggregate not less than nine-tenths of the total voting rights of all members having the right to vote at any meeting of the members of the company.

These prohibitions do not apply to (a) anything done to provide a director with funds to meet the expenditure incurred or to be incurred by him for the

purposes of the company, provided that the company gives its prior approval at a general meeting or, if not, the loan is made on condition that it will be repaid within six (6) months of the next following annual general meeting or in the case of a company that has made an election to dispense with annual general meetings in accordance with the Bermuda Companies Act, at or before the next following general meeting which shall be convened within 12 months of the authorisation of the making of the loan, if the loan is not approved at or before such meeting, (b) in the case of a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, anything done by the company in the ordinary course of that business, or (c) any advance of moneys by the company to any officer or auditor under section 98(2)(c) of the Bermuda Companies Act which allows the company to advance moneys to an officer or auditor of the company for the costs incurred in defending any civil or criminal proceedings against them, on condition that the officer or auditor shall repay the advance if any allegation of fraud or dishonesty is proved against them. If the approval of the company is not given for a loan, the directors who authorised it will be jointly and severally liable for any loss arising therefrom.

(viii) Financial assistance to purchase shares of the Company

Subject to compliance with the rules and regulations of competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

(ix) Disclosure of interests in contracts with the Company or any of its subsidiaries

Subject to the Bermuda Companies Act, a Director may hold any other office or place of profit with the Company (except that of auditors) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefore (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for, by or pursuant to any other Bye-Law.

A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditors) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the shareholders for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company.

The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Bermuda Companies Act and to the Bye-Laws, no Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any

Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the shareholders for any remuneration, profit or other benefits realised by any such contract or arrangement, by reason only of such Director holding that office or the fiduciary relationship thereby established.

If to the knowledge of a Director, he or any of his close associates, is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company, he shall declare the nature of his or, as the case may be, his close associate(s)' interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest or that of his close associate(s) then exists, or in any other case at the first meeting of the Board after he knows that he or his close associate(s) is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:

- (1) the giving of any security or indemnity either:
 - (A) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (B) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself / themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (2) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (3) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (A) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
 - (B) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

- (4) any contract or arrangement in which the Director or his close associate(s) is/ are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(c) Meetings of Shareholders

(i) Special resolution

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such shareholders as, being entitled so to do, vote in person or, in the case of a shareholder which is corporation, by its duly authorised representative or, where proxies are allowed, by proxy, at a general meeting of which Notice has been duly given in accordance with Bye-Law (see below for further details).

(ii) Annual general meetings and special general meetings

Subject to the Bermuda Companies Act, an annual general meeting of the Company must be held in each financial year and such general meeting must be held with six (6) months after the end of the Company's financial year unless a longer period would not infringe the rules of the relevant stock exchange.

Special general meetings may be convened on the requisition of one (1) or more shareholders holding, at the date of deposit of the requisition, not less than 10 per cent. of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in accordance with Section 74(3) of the Bermuda Companies Act.

(iii) Notices of meetings and business to be conducted thereat

An annual general meeting and a meeting called for the passing of a special resolution must be called by notice of not less than 21 clear days. All other general meetings (including a special general meeting) must be called by notice of at least 14 clear days. The notice must specify, among other things, the day and the hour of the meeting, particulars of resolutions to be considered at the meeting and in the case of special business, the general nature of that business and other details subject to the mode of general meeting. The notice convening an annual general meeting shall specify the meeting as such. Any notice to be given to or by any person pursuant to the Bye-Laws may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers including newspapers published daily and circulating generally in Hong Kong and in accordance with the requirements of the relevant stock exchange. Subject to compliance with Bermuda law and the rules of the relevant stock exchange, notice may also be served or delivered by the Company to any member by electronic means.

(iv) Quorum for meetings and separate class meetings

For all purposes the quorum for a general meeting shall be two (2) members present in person or (in the case of a member being a corporation) by its duly authorised representative or by proxy or, for quorum purposes only, two (2) persons appointed by the clearing house as authorised representative or proxy, and entitled to vote. In respect of a separate class meeting convened to sanction the modification of class rights the necessary quorum shall be two (2) persons holding or representing by proxy not less than one third in nominal value of the issued shares of that class.

(v) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two (2) or more shares may appoint more than one (1) proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

(d) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board. The Company in general meeting may also make a distribution to its members out of contributed surplus (as ascertained in accordance with the Bermuda Companies Act). No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For this purpose no amount paid on a share in advance of calls shall be treated as paid on the share.

The Board may retain any dividends or other moneys payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Board may also deduct from any dividend or other money payable to any shareholder all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six (6) years after having been declared may be forfeited by the Board and shall revert to the Company.

(e) Liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the shareholders in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the shareholders in proportion to the capital paid up on the shares held by them respectively.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the sanction of a special resolution and any other sanction required by the Bermuda Companies Act, divide among the shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one (1) kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one (1) or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator, with the like sanction, shall think fit, but so that no shareholders shall be compelled to accept any shares or other property in respect of which there is a liability.

SUMMARY OF BERMUDA COMPANY LAW AND TAXATION

1. INTRODUCTION

The Company is incorporated in Bermuda and, therefore, operates subject to Bermuda law. Set out below is a summary of certain provisions of Bermuda company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Bermuda company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

2. INCORPORATION

The Company was incorporated by registration as an exempted company under the Bermuda Companies Act on 27 June 1997. The Company was brought into existence by depositing its Memorandum with the Registrar of Companies in Bermuda (the “**Registrar**”).

3. SHARE CAPITAL

Where a share is issued at a premium (i.e. for a price in excess of the par value thereof), whether for cash or otherwise, the amount of such premium must be credited to a “share premium account” which is, in general, treated as capital of the company. In particular, the reduction of share capital provisions will apply as if the share premium account were paid up share capital of the Company except that the share premium account may be applied by the Company (i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares, (ii) in writing off the preliminary expenses of the Company or the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company, or (iii) in providing for the premiums payable on redemption of shares or of any debentures of the Company.

Where shares of the Company are issued in exchange for other shares, the premium, if any, arising on the issue of the shares of the Company may be credited to a “contributed surplus account”.

The Memorandum of Association of the Company specifically incorporates the powers contained in section 42 of the Bermuda Companies Act. As such, the Company may, subject to the terms of section 42 of the Bermuda Companies Act, issue preference shares which are redeemable at the option of the Company or at the option of the holder thereof. Further, the memorandum of association incorporates the powers contained in section 42A of the Bermuda Companies Act whereby the Company is entitled to purchase its own shares. Shares so purchased by the Company may either be cancelled or held as treasury shares. Any purchased shares cancelled will, in effect, revert to the status of authorised but unissued shares. If shares of the Company are held as treasury shares, the Company is prohibited to exercise any rights in respect of those shares, including any right to attend and vote at meetings, including a meeting under a scheme of arrangement pursuant to Section 99 of the Bermuda Companies Act, and any purported exercise of such a right is void. No dividend shall be paid to the Company in respect of shares held by the Company as treasury shares; and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) shall be made to the Company in respect of shares held by the Company as treasury shares. Any shares allotted by the Company as fully paid bonus shares in respect of shares held by the Company as treasury shares shall be treated for the purposes of the Bermuda Companies Act as if they had been acquired by the Company at the time they were allotted.

The redemption or purchase may only be effected (i) with respect to the par value of the shares to be redeemed or purchased, out of the capital paid up thereon, the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose and (ii) with respect to any premium on the redemption or purchase of such shares, out of the share premium account or funds of the Company otherwise available for dividend or distribution. Any amount due to a shareholder on a redemption or purchase by the Company of its own shares may (A) be paid in cash; (B) be satisfied by the transfer of any part of the undertaking or property of the Company having the same value; or (C) be satisfied partly under (A) and partly under (B).

No purchase or redemption by the Company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing, that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

There is no longer any statutory restriction in Bermuda on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in accordance with their fiduciary duties to the company, that such assistance can properly be given.

The Company may, if authorised by a general meeting of the members of the Company and by its Bye-Laws, divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions; consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by its Memorandum of Association; make provision for the issue and allotment of shares which do not carry any voting rights; change the currency denomination of its share capital; and cancel shares which have not been taken or agreed to be taken by any persons.

The Bermuda Companies Act includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied.

If, in the case of a company the share capital of which is divided into classes of shares, provision is made in the memorandum of association or bye-laws for authorising the variation of rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of the said provision, the rights attached to any such class of shares are at any time varied, the holders of not less in the aggregate than ten per cent. (10%) of the issued shares of that class, may apply to the

court to have the variation cancelled, and, where any such application is made, the variation shall not have effect unless and until it is confirmed by the court. Any such application must be made within 28 days after the date on which the consent was given or the resolution passed.

If neither the memorandum of association nor bye-laws of a company with share capital which is divided into different classes of shares makes provision for varying the rights attached to any class of share and nothing in the memorandum of association or bye-laws precludes a variation of such rights, the rights attached to any class, unless otherwise provided by the terms of issue of the shares of that class may, whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of the bye-laws or other rules of the company relating to general meetings shall apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll; however, in the case of a company having only one (1) member, one (1) member present in person or by proxy constitutes the necessary quorum.

4. DIVIDENDS AND DISTRIBUTIONS

A company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of the company's assets would thereby be less than its liabilities. Contributed surplus is defined by the Bermuda Companies Act to include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the company.

5. SHAREHOLDERS' SUITS

Class actions and derivative actions are generally not available to members of the Company under the law of Bermuda; however, the Bermuda court ordinarily may permit a shareholder to commence an action in the name of the Company to remedy a wrong done to the Company where the act complained of is alleged to be beyond the corporate power of the Company or illegal or would result in the violation of the Company's Memorandum of Association and Bye-Laws. Further, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority members or where an act requires the approval of a greater percentage of members than that which actually approved it.

Any member of the Company who complains that the affairs of the Company are being conducted or have been conducted in a manner oppressive or prejudicial to the interests of some part of the members, including himself, may petition the court which may, if it is of the opinion that to wind up the Company would unfairly prejudice that part of the members but that otherwise the facts would justify the making of a winding up order on just and equitable grounds, make such order as it thinks fit, whether for regulating the conduct of the Company's affairs in future or for the purchase of shares of any members of the Company by other members of the Company or by the Company and in the case of a purchase by the Company for the reduction accordingly of the Company's capital, or otherwise. Bermuda law also provides that the Company may be wound up by the Bermuda court if the court is of the opinion that it is just and equitable to do so. Both these provisions are available to minority members seeking relief from the oppressive conduct of the majority, and the court has wide discretion to make such order as it may think fit.

Except as mentioned above, claims against a company by its shareholders must be based on the general laws of contract or tort applicable in Bermuda.

6. DISPOSAL OF ASSETS

The Bermuda Companies Act contains no specific restriction on the power of directors to dispose of assets of a company, although it specifically requires that every officer of a company,

which includes a director, managing director and secretary, in exercising his powers and discharging his duties must act honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Furthermore, the Bermuda Companies Act requires that every officer should comply with the Bermuda Companies Act, regulations passed pursuant to the Bermuda Act and the bye-laws of the company.

7. ACCOUNTING AND AUDITING REQUIREMENTS

Accounts

The Bermuda Companies Act requires a company to cause proper records of accounts to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company and (iii) the assets and liabilities of the company.

Furthermore, it requires that a company keeps its records of account at the registered office of the company or at such other place as the directors think fit and that such records must at all times be open to inspection by the directors or the resident representative of the company. If the records of account are kept at some place outside Bermuda, there must be kept at the office of the company in Bermuda such records as will enable the directors or the resident representative of the company to ascertain with reasonable accuracy the financial position of the company at the end of each three (3) month period, except that where the company is listed on an appointed stock exchange, there must be kept such records as will enable the directors or the resident representative of the company to ascertain with reasonable accuracy the financial position of the company at the end of each six (6)-month period.

The Bermuda Companies Act requires that the directors of the company must, at least once a year, lay before the company in general meeting financial statements for the relevant accounting period. Further, the company's auditor must audit the financial statements so as to enable him to report to the members. Based on the results of his audit, which must be made in accordance with generally accepted auditing standards, the auditor must then make a report to the members. The generally accepted auditing standards may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be appointed by the Minister of Finance of Bermuda under the Bermuda Companies Act; and where the generally accepted auditing standards used are other than those of Bermuda, the report of the auditor shall identify the generally accepted auditing standards used. All members of the company are entitled to receive a copy of every financial statement prepared in accordance with these requirements, at least five (5) days before the general meeting of the company at which the financial statements are to be tabled. A company the shares of which are listed on an appointed stock exchange may send to its members summarised financial statements instead. The summarised financial statements must be derived from the company's financial statements for the relevant period and contain the information set out in the Bermuda Companies Act. The summarised financial statements sent to the company's members must be accompanied by an auditor's report on the summarised financial statements and a notice stating how a member may notify the company of his election to receive financial statements for the relevant period and/or for subsequent periods.

The summarised financial statements together with the auditor's report thereon and the accompanied notice must be sent to the members of the company not less than 21 days before the general meeting at which the financial statements are laid. Copies of the financial statements must be sent to a member who elects to receive the same within seven (7) days of receipt by the company of the member's notice of election.

Auditors

Unless the requirement to appoint an auditor is waived in accordance with the provisions of the Bermuda Companies Act, any auditor appointed shall hold office until a successor is appointed by the members or if the members fail to do so until the directors appoint a successor.

A person, other than an incumbent auditor, shall not be capable of being appointed auditor at a general meeting unless notice in writing of an intention to nominate that person to the office of auditor has been given not less than 21 days before the general meeting. The Company must send a copy of such notice to the incumbent auditor and give notice thereof to the members not less than 7 days before the general meeting. An incumbent auditor may, however, by notice in writing to the secretary of the Company waive the requirements of the foregoing.

Where an auditor is appointed to replace another auditor, the new auditor must seek from the replaced auditor a written statement as to the circumstances of the latter's replacement. If the replaced auditor does not respond within 15 days, the new auditor may act in any event. An appointment as auditor of a person who has not requested a written statement from the replaced auditor is voidable by a resolution of the shareholders at a general meeting. An auditor who has resigned, been removed or whose term of office has expired or is about to expire, or who has vacated office is entitled to attend the general meeting of the Company at which he is to be removed or his successor is to be appointed; to receive all notices of, and other communications relating to, that meeting which a member is entitled to receive; and to be heard at that meeting on any part of the business of the meeting that relates to his duties as auditor or former auditor.

8. REGISTER OF MEMBERS

The register of members of a company is open for inspection by members of the public without charge. The company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside Bermuda. Any branch register of members established by the company is subject to the same rights of inspection as the principal register of members of the company in Bermuda. Any person may on payment of a fee prescribed by the Bermuda Companies Act require a copy of the register of members or any part thereof which must be provided within 14 days of a request. Bermuda law does not, however, provide a general right for members to inspect or obtain copies of any other corporate records.

Under the Bermuda Companies Act, only those persons who agree to become members of a Bermuda company and whose names are entered on the register of members of such company are deemed members. A Bermuda company is not bound to see to the execution of any trust, whether express, implied or constructive, to which any of its shares are subject and whether or not the company had notice of such trust. Accordingly, persons holding shares through a trustee, nominee or depository will not be recognised as members of a Bermuda company under Bermuda law and may only have the benefit of rights attaching to the shares or remedies conferred by law on members through or with the assistance of the trustee, nominee or depository.

9. INSPECTION OF BOOKS AND RECORDS

Members of the general public have the right to inspect the public documents of a company available at the office of the Registrar which will include the company's certificate of incorporation, its memorandum of association (including its objects and powers) and any alteration to the company's memorandum of association. The members of the company have the additional right to inspect the bye-laws of a company, minutes of general meetings and the company's audited financial statements. Minutes of general meetings of a company are also open for inspection by directors of the company without charge for not less than two (2) hours during business hours each day.

A company is required to maintain a register of directors and officers at its registered office and such register must be made available for inspection for not less than two (2) hours in each day by members of the public without charge. If summarised financial statements are sent by a company to its members pursuant to section 87A of the Bermuda Companies Act, a copy of the summarised financial statements must be made available for inspection by the public at the registered office of the company in Bermuda.

10. SUBSIDIARY OWNING SHARES IN PARENT

Under the Bermuda Companies Act, a subsidiary is not prohibited from holding shares of the Company and, in certain circumstances, may acquire such shares. There is no statutory restriction in Bermuda preventing a subsidiary from voting the shares it holds in the Company.

11. RECONSTRUCTIONS, MERGERS AND CONSOLIDATIONS

The amalgamation or merger of a Bermuda company with another company or corporation requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders.

Under the Bermuda Companies Act, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favour of the amalgamation or merger and is not satisfied that fair value has been offered for such shareholder's shares may, within one (1) month of notice of the shareholders meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

An acquiring party is generally able to acquire compulsorily the shares of minority holders of a Bermuda company in the following ways:

- By a procedure under the Bermuda Companies Act known as a "scheme of arrangement." A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of shares, representing in the aggregate a majority in number and at least 75% of the shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of shares could be compelled to sell their shares under the terms of the scheme of arrangement.
- If the acquiring party is a company it may compulsorily acquire all the shares of the target company, by acquiring pursuant to a tender offer 90% of the shares or of a class of shares not already owned by, or by a nominee for, the acquiring party (the offeror), or any of its subsidiaries. If an offeror has, within four (4) months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two (2) months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, non-tendering shareholders will be compelled to sell their shares unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.
- Where the acquiring party or parties hold not less than 95% of the shares or of a class of shares of the company, such holder(s) may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one (1) month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

12. INDEMNIFICATION

Section 98 of the Bermuda Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty

or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company or any of its subsidiaries.

Section 98 of the Bermuda Companies Act further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favour or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Bermuda Companies Act, and may advance moneys to its directors, officers or auditors for the costs, charges and expenses incurred by the director, officer or auditor in defending any civil or criminal proceedings against them, on the condition that the director, officer or auditor repays the advance if any allegation of fraud or dishonesty is proved against them.

13. LIQUIDATION

The Company may be wound up by the Bermuda court on application presented either by the Company itself, its creditors or its contributors. The Bermuda court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable that the Company be wound up.

The Company may be wound up voluntarily when the members so resolve in general meeting, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum expires, or the event occurs on the occurrence of which the memorandum provides that the company is to be dissolved. In the case of a voluntary winding up, the Company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above except so far as may be required for the beneficial winding up thereof. Upon the appointment of a liquidator, the responsibility for the Company's affairs vests entirely in his hands and no future executive action may be carried out without his approval.

Where, on a voluntary winding up, a majority of directors make a statutory declaration of solvency, the winding up will be a members' voluntary winding up. In any case where such declaration has not been made, the winding up will be a creditors' voluntary winding up.

In the case of a members' voluntary winding up, the Company in general meeting must appoint one (1) or more liquidators within the period prescribed by the Bermuda Companies Act for the purpose of winding up the affairs of the Company and distributing its assets. If the liquidator at any time forms the opinion that the Company will not be able to pay its debts in full, he is obliged to summon a meeting of creditors.

As soon as the affairs of the Company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property has been disposed of, and thereupon call a general meeting of the Company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting requires at least one (1) month's notice published in an appointed newspaper in Bermuda.

In the case of a creditors' voluntary winding up, the Company must call a meeting of creditors of the Company to be summoned on the day or the next day following the day on which the meeting of the members at which the resolution for winding up is to be proposed. Notice of such meeting of creditors must be sent at the same time as notice is sent to members. In addition, the Company must cause a notice to appear in an appointed newspaper on at least two (2) occasions.

The creditors and the members at their respective meetings may nominate a person to be the liquidator for the purposes of winding up the affairs of the Company provided that if the creditors nominate a different person, the person nominated by the creditors shall be liquidator. The creditors at the creditors' meeting may also appoint a committee of inspection consisting of not more than five (5) persons.

If a creditors' winding up continues for more than one (1) year, the liquidator is required to summon a general meeting of the Company and a meeting of the creditors at the end of each year to lay before such meeting an account of his acts and dealings and of the conduct of the winding up during the preceding year. As soon as the affairs of the Company are fully wound up, the liquidator must make an account of the winding up showing how the winding up has been conducted and the property of the Company has been disposed of, and thereupon shall call a general meeting of the Company and a meeting of the creditors for the purposes of laying the account before such meeting and giving an explanation thereof.

14. STAMP DUTY ON TRANSFERS

An exempted company is exempt from all stamp duties except on transactions involving "Bermuda property". This term relates, essentially, to real and personal property physically situated in Bermuda, including shares in local companies (as opposed to exempted companies). Transfers of shares and warrants in all exempted companies are exempt from Bermuda stamp duty.

15. TAXATION

We are incorporated under the laws of Bermuda. At the present time, there is no Bermuda profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by us or by our Shareholders who are non-residents of Bermuda in respect of our Shares.

Bermuda enacted the CIT Act on 27 December 2023, which became effective on 1 January 2025. Entities subject to tax under the CIT Act are the Bermuda constituent entities of multi-national groups. A multi-national group is defined under the CIT Act as a group with entities in more than one jurisdiction with consolidated revenues of at least EUR750mm for two (2) out of the four (4) previous fiscal years. A Bermuda entity that is tax resident in another jurisdiction under the laws of that jurisdiction based on its location of management and control is not a Bermuda constituent entity. For a Bermuda constituent entity of a multi-national group which is subject to tax under the CIT Act, such tax is charged at a rate of 15 per cent. of the net taxable income of such constituent entity as determined in accordance with and subject to the adjustments set out in the CIT Act (including in respect of foreign tax credits applicable to the Bermuda constituent entity).

The Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to the Company or to any its operations or to its Shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Issuer in respect of real property owned by or leased or let to the Company in Bermuda.

16. EXCHANGE CONTROL

The permission of the Bermuda Monetary Authority is required for the issue of shares and securities by a Bermuda company and the subsequent transfer of such shares and securities. Before such company can issue or transfer any further shares and securities in excess of the amounts already approved, it must obtain the prior consent of the Bermuda Monetary Authority.

An exempted company is usually designated as "non-resident" for Bermuda exchange control purposes by the Bermuda Monetary Authority. Where a company is so designated, it is free to deal in currencies of countries outside the Bermuda exchange control area which are freely convertible into currencies of any other country.

The Bermuda Monetary Authority has granted general permission for the issue and transfer of shares and securities to and between persons regarded as resident outside Bermuda for exchange control purposes without specific consent for so long as any equity securities,

including shares, are listed on an appointed stock exchange (as defined in the Bermuda Companies Act) which includes the HKSE and the SGX-ST. Issues to and transfers involving persons regarded as "resident" for exchange control purposes in Bermuda will be subject to specific exchange control authorisation.

17. ECONOMIC SUBSTANCE REQUIREMENTS

Pursuant to the Economic Substance Act 2018 (as amended) of Bermuda ("**ES Act**") that came into force on 1 January 2019, a registered entity other than an entity which is resident for tax purposes in a jurisdiction outside Bermuda ("**non-resident entity**") that carries on as a business any one (1) or more of the relevant activities referred to in the ES Act must comply with economic substance requirements. For so long as the Company is a non-resident entity, it is not required to satisfy the economic substance requirements of the ES Act other than providing the Bermuda Registrar of Companies annually information on the jurisdiction in which it claims to be resident for tax purposes together with sufficient evidence to support that tax residence.

APPENDIX E – LIST OF PAST AND PRESENT DIRECTORSHIPS

In the last five (5) years preceding the date of this Introductory Document, none of our Directors and Executive Officers has any interest in companies (including an interest as a director) which are in, or are likely to be in, competition with our Group. The past and present principal directorships in the Principal Subsidiaries and publicly listed companies held by our Directors and Executive Officers in the last five (5) years preceding the date of this Introductory Document (excluding those held in our Company) are as follows:

DIRECTORS

	Present Directorships	Past Directorships
Mr. Liu Shunxing (刘顺兴)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	CNE Investment Pte. Ltd.	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	NIL	NIL
Ms. Liu Jianhong (刘建红)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	CNE Investment Pte. Ltd.	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	NIL	NIL
Mr. Niu Wenhui (牛文辉)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	Century Concord Wind Power Investment Co., Ltd. (协合风电投资有限公司)	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	NIL	NIL
Mr. Zhai Feng (翟锋)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	NIL	NIL
Ms. Shang Jia (尚佳)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	Jingmen Lixi Wind Power Co., Ltd. (荆门栗溪风力发电有限公司)
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	NIL	NIL
Mr. Chan Kam Kwan, Jason (陈锦坤)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	Brockman Mining Limited (布莱克万矿业有限公司)	1957 & Co. (Hospitality) Limited

		Canvest Environmental Protection Group Company Limited (粤丰环保电力有限公司)
Mr. Wang Feng (王峰)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	NIL	NIL
Ms. Huang Jian (黄简)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	Huadong Medicine Co., Ltd (华东医药股份有限公司)	Beijing Dalong Weiye Real Estate Development Co., Ltd. (北京市大龙伟业房地产开发股份有限公司)
	Hygon Information Technology Co., Ltd. (海光信息技术股份有限公司)	Hangzhou Tianyuan Pet Products Co., Ltd. (杭州天元宠物用品股份有限公司)
Mr. Jesse Zhixi Fang (方之熙)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	Jade Bird Fire Co., Ltd. (青鸟消防股份有限公司)	NIL
Mr. Zhang Zhong (张忠)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	Sinotruk (Hong Kong) Limited (中国重汽 (香港) 有限公司)	Weichai Power Co., Ltd. (潍柴动力股份有限公司)
	China Spacesat Co., Ltd. (中国东方红卫星股份有限公司)	Beijing Dalong Weiye Real Estate Development Co., Ltd. (北京市大龙伟业房地产开发股份有限公司)
Ms. Li Yongli (李永丽)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	NIL	NIL

Mr. Chua Pin (蔡斌)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	Hudson Investment Group Limited	NIL

EXECUTIVE OFFICERS

	Present Directorships	Past Directorships
Mr. Chen Shengjun (陈胜军)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	NIL	NIL
Mr. Wang Xigang (王锡钢)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	Century Concord Wind Power Investment Co., Ltd. (协合风电投资有限公司)	Jingmen Lixi Wind Power Co., Ltd. (荆门栗溪风力发电有限公司)
	Shizong Juhe Wind Power Co., Ltd. (师宗聚合风力发电有限公司)	
	Suzhou Deren Wind Power Co., Ltd. (宿州德仁风力发电有限公司)	
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	Concord Power Consulting and Design (Beijing) Co. Ltd. (聚合电力工程设计(北京)股份有限公司)	NIL
Mr. Zhou Xiaole (周小乐)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	Concord Power Consulting and Design (Beijing) Co. Ltd. (聚合电力工程设计(北京)股份有限公司)	NIL
Mr. Mike Luo (罗迈)	<i>Principal Subsidiaries</i>	<i>Principal Subsidiaries</i>
	NIL	NIL
	<i>Other publicly listed companies</i>	<i>Other publicly listed companies</i>
	NIL	NIL

APPENDIX F – MATERIAL PROPERTIES

Owner	Location	Type of Rights	Principal Use	Area (m ²)	Duration of Rights	Encumbrances
Yongzhou Jiepai	Jiepai Township, Jianghua Yao Autonomous County	State-owned construction land use right	Wind turbine generator	9,360	13 August 2018 to 12 August 2068	Security in respect of RMB310 million and corresponding interests and fees pursuant to a loan extended by Lender B to Yongzhou Jiepai
Yongzhou Jiepai	The 35KV Power Distribution Room etc. of CCWPI in Shengongwan Village, Jiepai Township, Jianghua Yao Autonomous County.	State-owned construction land use right / Building ownership	Booster station	Land: 8,625 / Property: 1,490.48	3 August 2018 to 2 August 2068	Security in respect of RMB310 million and corresponding interests and fees pursuant to a loan extended by Lender B to Yongzhou Jiepai
Jilin Century Concord	Wulanhua Town, Tongyu County	State-owned construction land use right	Wind turbine generator	13,762.59	15 November 2018 to 14 November 2068	Security in respect of RMB 1,247,547,942.92 pursuant to a loan extended by Lender C to Jilin Century Concord
Jilin Century Concord	Wulanhua Town	State-owned construction land use right / Building ownership	Industry	Land: 23,186.16 / Property: 341.64	15 November 2018 to 14 November 2068	Security in respect of RMB 1,247,547,942.92 pursuant to a loan extended by Lender C to Jilin Century Concord
Jilin Century Concord	Wulanhua Town	State-owned construction land	Storage	Land: 23,186.16 / Property: 48.96	15 November 2018 to 14 November 2068	Security in respect of RMB 1,247,547,942.92

Owner	Location	Type of Rights	Principal Use	Area (m ²)	Duration of Rights	Encumbrances
		use right / Building ownership				pursuant to a loan extended by Lender C to Jilin Century Concord
Jilin Century Concord	Wulanhua Town	State-owned construction land use right / Building ownership	Storage	Land: 23,186.16 / Property: 279.89	15 November 2018 to 14 November 2068	Security in respect of RMB 1,247,547,942.92 pursuant to a loan extended by Lender C to Jilin Century Concord
Jilin Century Concord	Wulanhua Town	State-owned construction land use right / Building ownership	Industry	Land: 23,186.16 / Property: 281	15 November 2018 to 14 November 2068	Security in respect of RMB 1,247,547,942.92 pursuant to a loan extended by Lender C to Jilin Century Concord
Jilin Century Concord	Wulanhua Town	State-owned construction land use right / Building ownership	Industry	Land: 23,186.16 / Property: 2887.5	15 November 2018 to 14 November 2068	Security in respect of RMB 1,247,547,942.92 pursuant to a loan extended by Lender C to Jilin Century Concord
Jingmen Lixi	Lixi Town, Dongbao District, Jingmen	State-owned construction land use right	Wind turbine generator	6,000	24 November 2021 to 24 November 2071	-
Jingmen Lixi	Lingpu, Dongbao District, Jingmen	State-owned construction land use right	Wind turbine generator	800	24 November 2021 to 24 November 2071	-
Jingmen Lixi	Zilingpu Town, Dongbao District, Jingmen	State-owned construction land use right	Wind turbine generator	2,000	24 November 2021 to 24 November 2071	-

Owner	Location	Type of Rights	Principal Use	Area (m ²)	Duration of Rights	Encumbrances
Jingmen Lixi	Shiqiaoyi Town, Dongbao District, Jingmen	State-owned construction land use right	Wind turbine generator	400	24 November 2021 to 24 November 2071	-
Jingmen Lixi	Shangquan Village, Shiqiaoyi Town, Dongbao District, Jingmen	State-owned construction land use right	Wind turbine generator	400	24 November 2021 to 24 November 2071	-
Tongyu Century Concord	Wulanhua Town	State-owned construction land use right	Wind turbine generator	15,751	8 February 2022 to 7 February 2072	Security in respect of RMB 1,385,676,904.39 pursuant to a loan extended by Lender C to Tongyu Century Concord
Tongyu Century Concord	Xinglongshan Town	State-owned construction land use right	Wind turbine generator	788	8 February 2022 to 7 February 2072	Security in respect of RMB 1,385,676,904.39 pursuant to a loan extended by Lender C to Tongyu Century Concord
Tongyu Century Concord	Xinfa Village	State-owned construction land use right	Wind turbine generator	742	8 February 2022 to 7 February 2072	Security in respect of RMB 1,385,676,904.39 pursuant to a loan extended by Lender C to Tongyu Century Concord
Fuxin Xingda	Jiumiao Town	State-owned construction land use right	Wind turbine generator	15,462.77	10 March 2022 to 9 March 2072	-

Owner	Location	Type of Rights	Principal Use	Area (m ²)	Duration of Rights	Encumbrances
Fuxin Xingda	Bajiazi Town	State-owned construction land use right	Wind turbine generator	1,837.91	10 March 2022 to 9 March 2072	-
Fuxin Xingda	North side of the Booster station of Project Hailiban, Haosijiazi Village, Hongmaozi Town, Fuxin Mongolian Autonomous County	State-owned construction land use right	Public utility land	1,892	25 June 2025 to 24 June 2075	-
Yongzhou Qiaotoupu	Tuojiang Town, Jianghua County	State-owned construction land use right	Wind turbine generator	9,600	18 January 2021 to 17 January 2071	Security in respect of RMB300 million and corresponding interests and fees pursuant to a loan extended by Lender B to Yongzhou Qiaotoupu
Kaiyuan Julong	Lingquan Street Office, Kaiyuan City	State-owned construction land use right / Building ownership	Booster station	Land: 44,155.92 / Property: 1,851.5	19 July 2023 to 19 July 2073	-
Kaiyuan Julong	Xiaolongtan Town, Kaiyuan City	State-owned construction land use right / Building ownership	Booster station	Land: 22,704.87 / Property: 763.95	19 July 2023 to 19 July 2073	-
Kaiyuan Julong	Lingquan Street Office, Kaiyuan City	State-owned construction land use right	Wind turbine generator	23,422.82	19 July 2023 to 19 July 2073	-
Kaiyuan Julong	Xiaolongtan Town, Kaiyuan City	State-owned construction land use right	Wind turbine generator	10,164.62	19 July 2023 to 19 July 2073	-

Owner	Location	Type of Rights	Principal Use	Area (m ²)	Duration of Rights	Encumbrances
Shizong Juhe	Xiongbi Town, Shizong County	State-owned construction land use right	Wind turbine generator	5,746	28 September 2023 to 28 September 2073	-
Shizong Juhe	Xiongbi Town, Shizong County	State-owned construction land use right	Box transformer substation	338	28 September 2023 to 28 September 2073	-
Shizong Juhe	Zhuji Town, Shizong County	State-owned construction land use right	Wind turbine generator	3,094	28 September 2023 to 28 September 2073	-
Shizong Juhe	Zhuji Town, Shizong County	State-owned construction land use right	Box transformer substation	182	28 September 2023 to 28 September 2073	-
Shizong Juhe	Zhuji Town, Shizong County	State-owned construction land use right / Building ownership	Booster Station	Land: 7,969 / Property: 687.56	28 September 2023 to 28 September 2073	-
Shizong Juhe	Kuishan Town, Shizong County	State-owned construction land use right	Wind turbine generator	11,492	28 September 2023 to 28 September 2073	-
Shizong Juhe	Kuishan Town, Shizong County	State-owned construction land use right	Box Transformer Substation	676	28 September 2023 to 28 September 2073	-
Shizong Juhe	Yangyue Street Office, Shizong County	State-owned construction land use right	Wind turbine generator	4,862	28 September 2023 to 28 September 2073	-
Shizong Juhe	Yangyue Street Office, Shizong County	State-owned construction land use right	Box Transformer Substation	312	28 September 2023 to 28 September 2073	-
Shizong Juhe	Caiyun Town, Shizong County	State-owned construction land use right	Wind turbine generator	7,072	28 September 2023 to 28 September 2073	-

Owner	Location	Type of Rights	Principal Use	Area (m ²)	Duration of Rights	Encumbrances
Shizong Juhe	Caiyun Town, Shizong County	State-owned construction land use right	Box Transformer Substation	390	28 September 2023 to 28 September 2073	-
Shizong Juhe	Kuishan Town, Shizong County	State-owned construction land use right / Building ownership	Booster station	Land: 13,986 / Property: 1,736.45	28 September 2023 to 28 September 2073	-
Suzhou Deren	Fuli Town Yongqiao District	State-owned construction land use right	Wind turbine generator	5,054	Not mentioned	-
Suzhou Deren	Jiagou Town Yongqiao District	State-owned construction land use right	Wind turbine generator	3,610	Not mentioned	-
Wuhe Juhe	Xiaoxi Town	State-owned construction land use right	Wind turbine generator	9,200	25 January 2019 to 25 January 2059	-