



Beijing Jingneng Clean Energy Co., Limited
北京净能清洁能源有限公司

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Contents

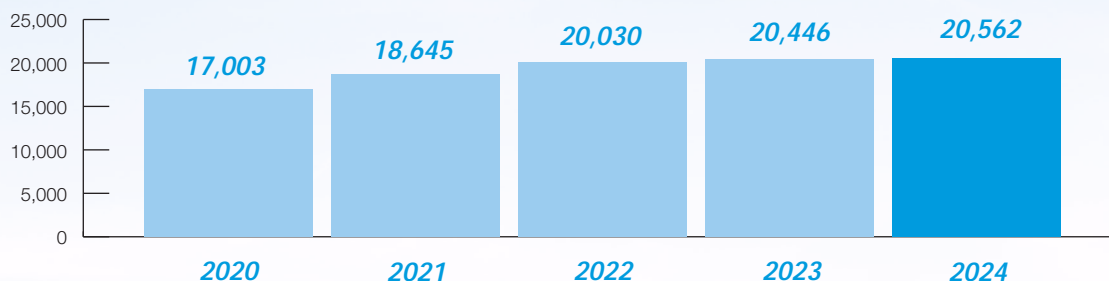
Financial Highlights	2	Corporate Governance Report	75
Financial Summary	3	Independent Auditor's Report	91
Corporate Profile	5	Consolidated Statement of Profit or Loss	96
Chairman's Statement	6	Consolidated Statement of Profit or Loss and Other Comprehensive Income	97
General Manager's Statement	7	Consolidated Statement of Financial Position	98
Management Discussion and Analysis	8	Consolidated Statement of Changes in Equity	101
Human Resources	26	Consolidated Statement of Cash Flows	104
Profiles of Directors, Supervisors and Senior Management	28	Notes to the Consolidated Financial Statements	107
Report of the Directors	39	Definitions	248
Report of the Board of Supervisors	71	Corporate Information	250



Financial Highlights

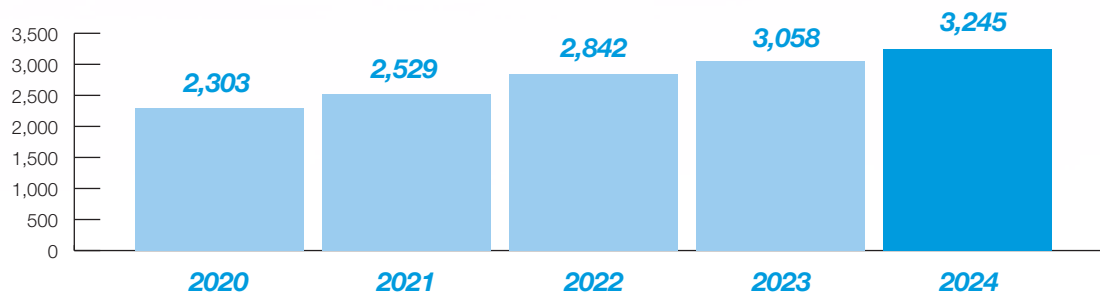
REVENUE

RMB in millions



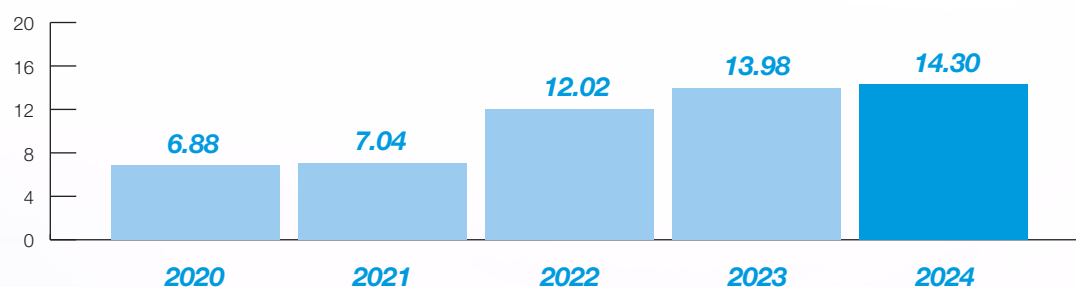
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

RMB in millions



DIVIDEND PER SHARE

RMB cents



Financial Summary

	Year ended 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Revenue	20,561,740	20,446,028	20,030,281	18,645,255	17,003,306
Other income	509,039	1,126,679	1,055,415	904,011	797,393
Profit from operations	5,261,108	5,187,881	5,170,923	4,827,967	3,917,090
Profit before taxation	4,279,802	4,143,795	3,843,500	3,284,905	2,953,026
Income tax expense	(858,907)	(908,592)	(820,086)	(615,604)	(557,041)
Profit for the year	3,420,895	3,235,203	3,023,414	2,669,301	2,395,985
Total comprehensive income	3,367,873	3,264,770	2,996,058	2,651,041	2,518,122
Profit for the year attributable to:					
– Ordinary shareholders of the Company	3,245,045	3,057,641	2,841,680	2,528,902	2,303,390
– Holders of perpetual notes	97,548	92,240	100,750	59,895	31,950
– Non-controlling interests	78,302	85,322	80,984	80,504	60,645
	3,420,895	3,235,203	3,023,414	2,669,301	2,395,985
Total comprehensive income for the year attributable to:					
– Ordinary shareholders of the Company	3,234,304	3,087,208	2,814,324	2,510,642	2,425,527
– Holders of perpetual notes	97,548	92,240	100,750	59,895	31,950
– Non-controlling interests	36,021	85,322	80,984	80,504	60,645
	3,367,873	3,264,770	2,996,058	2,651,041	2,518,122
Earnings per share (RMB cents)					
Basic and diluted	39.36	37.09	34.47	30.67	27.94

Financial Summary

	As at 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Total assets	101,053,441	93,594,441	88,000,237	86,040,207	70,538,308
Non-current assets	76,988,205	73,782,632	69,424,367	66,903,351	55,656,303
Current assets	24,065,236	19,811,809	18,575,870	19,136,856	14,882,005
Total liabilities	63,570,666	59,073,763	55,578,016	54,868,457	44,171,461
Current liabilities	28,114,771	22,211,211	27,361,729	29,140,638	25,244,624
Non-current liabilities	35,455,895	36,862,552	28,216,287	25,727,819	18,926,837
Net assets	37,482,775	34,520,678	32,422,221	31,171,750	26,366,847
Capital and reserves					
Share capital	8,244,508	8,244,508	8,244,508	8,244,508	8,244,508
Reserves	24,916,574	22,433,538	20,345,423	19,106,113	16,249,142
Equity attributable to equity holders of the Company	33,161,082	30,678,046	28,589,931	27,350,621	24,493,650
Perpetual notes	3,028,303	3,023,455	3,027,962	3,027,962	1,525,582
Non-controlling interests	1,293,390	819,177	804,328	793,167	347,615
Total equity	37,482,775	34,520,678	32,422,221	31,171,750	26,366,847



Corporate Profile

Beijing Jingneng Clean Energy Co., Limited (hereinafter referred to as the “**Company**”) was established in August 2010, and is a subsidiary controlled by BEH. The Company was listed on the Main Board of the Hong Kong Stock Exchange on 22 December 2011. The Company and its subsidiaries (collectively referred to as the “**Group**”) operate business in 26 provinces, municipalities and autonomous regions, such as Beijing, Inner Mongolia, Ningxia, Sichuan, Hunan and Guangdong, and involves in wind power, photovoltaic power, gas-fired power and heat energy generation, small-to-medium-sized hydropower, energy storage and other clean energy generation businesses, which help the Group claim the title of the leading wind power and photovoltaic power operator in China and the largest gas-fired heat and power supplier in Beijing as well as an industry-leading clean energy service provider.

As of 31 December 2024, the total consolidated installed capacity of the Company reached 17,437 MW, of which the installed capacity of non-fossil energy was 12,662 MW. The installed capacity of wind power generation of the Company reached 6,858 MW with the majority located in Inner Mongolia region, Shaan-Gan-Ning region and Beijing-Tianjin-Hebei region in China where wind resources are abundant; the installed capacity of photovoltaic power generation of the Company reached 5,268 MW, which is distributed in northwest China, north China and south China regions with relatively abundant solar resources; the Company operates eight gas-fired cogeneration plants with an installed capacity of 4,775 MW in Beijing and Yichang, Hubei, with the annual power generation of the seven gas-fired cogeneration plants in Beijing accounting for over 47% of gas-fired power generation of Beijing and accounting for over 43% of centralized heating supply of Beijing, being the leading gas-fired heat and power supplier in Beijing. The Company also operates other clean energy business like small-to-medium-sized hydropower and energy storage, among which, our small-to-medium-sized hydropower has a consolidated installed capacity of 310 MW mainly distributed in southwest China with abundant water resources, and our energy storage has a consolidated installed capacity of 226 MW mainly distributed in Ningxia and Guangxi.

Always with a focus on economic efficiency and a goal of promoting high-quality development, the Company continues to optimise the industrial layout and implement the efficient strategy of wind and photovoltaic power generation. The Company strictly follows the general working principle of “seeking rapid and optimal progress while maintaining stability”, deeply practices the major strategic decision of “Peaking Carbon Dioxide Emission and Achieving Carbon Neutrality”, and takes green development as the first priority, technological innovation as the first driving force, and talent team as the utmost important resource, so as to promote the sustainable development with higher quality and efficiency, and advance our efforts in developing the Company into a more intelligent, carbon-efficient, flexible and resilient world-class clean energy service provider in the capital.



Chairman's Statement

Dear Shareholders,

2024 was a crucial year for the implementation of the “14th Five-Year Plan”. All employees of the Group responded calmly to the changes in development, seized opportunities, and took the initiative to serve as the cornerstone of value creation, the pioneer of green and low-carbon development and the main force in comprehensively deepening reform. We maintained solid and powerful energy supply, courageously



General Manager's Statement

Dear Shareholders,

2024 was a crucial point for the Group to further implement the “14th Five-Year Plan” and deepen the improvement of comprehensive management. Faced with complex and changing market environment and industry challenges, under the rational decision-making and correct leadership of the Board, the Group maintained a steady and positive development trend in all of its work, and was rated as one of the “Top 500 Global New Energy Enterprises in 2024” and one of the “Top 100 ESG Best Practices for Chinese Listed Companies”, taking solid steps towards high-quality development.

Over the past year, the Group achieved breakthrough progress in terms of key indicators and maintained strong momentum for corporate development. As of the end of 2024, the Group's total assets reached RMB101.05 billion; operating income amounted to RMB20.56 billion; and profit before tax amounted to RMB4.28 billion, hitting a record high. We maintained a good development trend in our principal energy business. Our installed capacity reached 17.437 million kW, with 40.01 billion kWh of electricity generated and 27.334 million GJ of heat supplied. The installed capacity of renewable energy accounted for more than 72% of our total installed capacity, and its operating profit recorded a 17.2% year-on-year increase. The wind and photovoltaic power business performed particularly well, providing crucial support for our performance growth.

Over the past year, the Group witnessed many successful project constructions, and accelerated transformation and upgrades. We achieved remarkable results in the development of new business formats and new models. We successfully obtained development quota for the 4.9 million kW integrated windbreak and desertification control project in Xilingol League, obtained the development quota for the Nanchuan 100MW agricultural-photovoltaic complementary project to fill our project gap in the Chongqing region, successfully put the Shantou Smart Energy Industrial Park into production, and steadily advanced the offshore wind power and pumped storage project. We achieved fruitful results in terms of digital transformation. Eight of our photovoltaic stations have enabled unattended operation, and our per capita management installed capacity increased by 40%, saving approximately RMB80 million in costs. We invested RMB880 million in technology, and obtained more than 120 patents and software copyrights. Our gas turbine cleaning technology won the first prize of the Science and Technology Progress Award (Industry-Level), demonstrating our outstanding achievements in terms of digital transformation and technological innovation.

In 2025, the Group will always uphold its mission of “building a world-class clean energy service provider in the capital”. Taking economic benefits as the focus, green development as the fundamental, and technological innovation as the driving force, we will consolidate our foundation for safe production, optimize our comprehensive management capabilities, fulfill our corporate social responsibilities, and continuously enhance our core competitiveness and value creation capabilities, so as to give back to shareholders' trust with more stable performance and support the implementation of the “dual carbon” strategy with higher-quality energy services.

On behalf of the management team and all employees of the Group, I hereby would like to express my sincere gratitude to all shareholders, Directors and Supervisors for their long-term support. Let us work together to create a new chapter in the clean energy industry!



Management Discussion and Analysis

I. REVIEW OF THE ELECTRIC POWER INDUSTRY

In 2024, China maintained safe and reliable electricity supply, and recorded steady and relatively rapid growth in electricity consumption, achieving a supply-demand balance as a whole and a continuous advancement in green and low-carbon transition.

According to the statistics from the China Electricity Council and the National Energy Administration, in 2024, the national electricity consumption reached 9.9 trillion kWh, representing a year-on-year increase of 6.8%, up by 0.1 percentage point as compared to 2023. The overall stability of national economy and the improvement of electrification level have driven the steady and relatively rapid growth in electricity consumption across all sectors in recent years.

As of the end of 2024, the national power generation installed capacity in total was 3.35 billion kW, representing a year-on-year increase of 14.6%. Among which, the installed capacity of non-fossil fuel power generation was 1.95 billion kW, representing a year-on-year increase of 23.8%, with its proportion to the total installed capacity being 58.2%, up by 4.3 percentage points as compared to the end of 2023. The installed capacity of wind power generation was 520 million kW, representing a year-on-year increase of 18.2%, and the installed capacity of photovoltaic power generation was 890 million kW, representing a year-on-year increase of 45.2%. The aggregate installed capacity of wind power and photovoltaic power generation reached 1.41 billion kW, completing China's goal of "reaching a total installed capacity of more than 1.2 billion kW for wind power and solar power generation across China by 2030" declared at the Climate Ambition Summit, 6 years ahead of schedule.

In 2024, the power generation of power plants above the national scale was 9.4 trillion kWh, representing a year-on-year increase of 4.6%. The national non-fossil power generation in total recorded a year-on-year increase of 15.4%. Among which, the on-grid wind power and photovoltaic power generation recorded a year-on-year increase of 11.1% and 28.2%, respectively. The electricity trading centers across the country managed to organise electricity transaction of 6.2 trillion kWh in the market, representing a year-on-year increase of 9.0%, accounting for 62.6% of the national electricity consumption, up by 1.3 percentage points as compared to the previous year.

In 2024, the utilisation hour of power generation equipment of power plants with a capacity of 6,000 kW or above in China was 3,442 hours, representing a year-on-year decrease of 157 hours. Among which, the utilisation hour of on-grid wind power generation equipment was 2,127 hours, representing a year-on-year decrease of 107 hours; the utilisation hour of on-grid photovoltaic power generation equipment was 1,211 hours, representing a year-on-year decrease of 81 hours; the utilisation hour of gas-fired power generation equipment was 2,363 hours, representing a year-on-year decrease of 162 hours; and the utilisation hour of hydropower generation equipment was 3,349 hours, representing a year-on-year increase of 219 hours. The year-on-year decrease in the utilisation hour of wind power and photovoltaic power generation equipment was primarily attributable to the year-on-year decrease in the national average wind speed and irradiation, and the increase in power curtailment due to restricted consumption in certain areas during the year.



Management Discussion and Analysis

II. BUSINESS REVIEW FOR THE YEAR OF 2024

2024 was a crucial year for the in-depth implementation of the “14th Five-Year Plan”. The Group focused on the energy security and green and low-carbon development of the capital, adhered to the general work approach of “seeking rapid and optimal progress while maintaining stability, and proactively pursuing excellence”, and actively responded to the challenges of unexpected profit reduction factors. Our business management work maintained a good momentum of continuous improvement, and achieved outstanding results in high-quality development.

1. Exceeding the profit target, with scale of assets surpassing RMB100 billion

In 2024, the Group actively responded to unexpected profit reduction factors



Management Discussion and Analysis

Meanwhile, the Group continued to expand its renewable energy business. The operating profit of its wind power, photovoltaic power and hydropower generation segments hit a new historical high, with a combined operating profit of RMB4.49 billion, representing a year-on-year increase of 17.2%. The combined operating profit of the renewable energy businesses accounted for more than 75% of the total operating profit.

2. Exceeding the installed capacity target, with equipment utilisation hours higher than the national average

As of 31 December 2024, the Group's total installed capacity was approximately 17.437 million kW, of which the installed capacity of non-fossil fuel was 12.662 million kW, representing a year-on-year increase of 2.882 million kW or a year-on-year growth of 29.5%, exceeding the installed capacity target set at the beginning of the year. Among which, the installed capacity of the wind power generation segment was 6.858 million kW, representing a year-on-year increase of 23.2%, the growth rate of which exceeding the growth rate of national installed capacity of wind power generation by 5 percentage points. The installed capacity of the photovoltaic power generation segment was 5.268 million kW, representing a year-on-year increase of 38.0%. The installed capacity of independent shared energy storage was 226,000 kW. The installed capacity of the gas-fired power generation segment was 4.775 million kW, representing a year-on-year increase of 74,000 kW. The installed capacity of the Group's projects under construction amounted to 2.142 million kW, all of which were renewable energy projects, and the installed capacity of reserve projects exceeded 12 million kW, of which the installed capacity of reserve renewable energy projects reached almost 10 million kW.

The total power generation of the Group for the year was 40.01 billion kWh, representing a year-on-year increase of 2.9%. Among which, the wind power generation segment generated 13.69 billion kWh, representing a year-on-year increase of 8.6%, and the utilisation hour of equipment was approximately 2,139 hours, which was 12 hours higher than the national average. The photovoltaic power generation segment generated 5.97 billion kWh, representing a year-on-year increase of 12.8%, and the utilisation hour of equipment was approximately 1,300 hours, which was 89 hours higher than the national average. The gas-fired power generation segment generated 18.96 billion kWh, and the utilisation hour of equipment was approximately 3,998 hours, which was 1,635 hours higher than the national average. The hydropower generation segment generated 1.39 billion kWh, and the utilisation hour of equipment was approximately 3,719 hours, which was 370 hours higher than the national average.

The Group continuously promoted the "wind power and photovoltaic power integration strategy", and the strategic transformation of renewable energy has yielded results. The installed capacity of renewable energy accounted for more than 72% of the total installed capacity, and the renewable energy business generated 21.05 billion kWh, accounting for more than 52% of the total power generation, setting a new record high. The utilisation hour of equipment has been higher than the industry average for a long time.



Management Discussion and Analysis

3. Exceeding the annual project development task, and accelerating the expansion of strategic emerging projects and emerging regions

In 2024, the Group focused on the “two-wheel drive” strategy and actively responded to fierce market competition. The Group obtained newly approved and filed or obtained renewable energy development quota of 7.206 million kW, including 6.932 million kW for independently developed projects and 274,000 kW for M&A projects, exceeding the annual task target.

In terms of strategic emerging projects layout, we successfully obtained the 4.9 million kW development quota for the integrated windbreak and desertification control project in Xilingol League, and completed the filing for and commenced the construction of a 1.5 million kW project. We obtained the approval of the Guangdong Provincial Development and Reform Commission for the Shantou offshore wind power project, and underwent the preliminary review by the Ministry of Natural Resources for such project. We obtained the preliminary plan for the Chengde “Green Power into Beijing” project prepared by the North China Electric Power Design Institute, and are making every effort to facilitate the inclusion of our project into the plan. We obtained the approval of the Beijing Municipal Development and Reform Commission for the Shangzhuang Zhongguancun Comprehensive Bonded Zone Integrated Energy Project. The Mentougou pumped storage project has been included into the list of national pumped storage medium- and long-term planning and implementation projects.

In terms of expanding into emerging regions, we obtained over 1 million kW of development quota in areas such as Shanxi and Guangxi, and have initially formed economies of scale. We successfully obtained the Group’s first 200,000 kW development quota for centralised photovoltaic project in Fujian Province. We obtained the development quota for the Nanchuan 100MW agricultural-photovoltaic complementary project, filling the Group’s project gap in the Chongqing region.



Management Discussion and Analysis

4. Cultivating new quality productivity through digital empowerment, and promoting both innovative and high-quality development

In 2024, the Group focused on rebuilding its production management processes through digitalization, increased R&D investment, strengthened the cultivation of new quality productivity, and promoted both innovative and high-quality development.

During the year, the Group's R&D investment amounted to approximately RMB880 million, with an R&D investment intensity of 3.6%. We obtained 19 invention patents, 76 utility model patents and 32 software copyrights. We have fully established the "three-tier integrated" digital production and operation management system, based on the intelligent supervision center system, developed core capability such as system operation and maintenance and data governance, and continuously improved the management model of "unattended or few people on duty, centralised monitoring, and intelligent operation and maintenance". We continuously carried out functional iterations, developed and launched functions such as power generation reliability system, intelligent visualisation system and integrated energy distributed management system, and rebuilt the intelligent production management process. Eight photovoltaic stations have enabled "unattended operation". The per capita management installed capacity of wind and photovoltaic projects increased by 40% year-on-year, saving approximately RMB80 million in production costs during the year. Our "Research and Application of Key Technologies for Ensuring Gas Turbine Inlet Cleanliness" won the first prize of the Science and Technology Progress Award (Industry-Level), and our "Key Technologies and Application for Intelligent Control and Flexible Aggregation of New Energy" won the Outstanding Innovation Achievement Award of the China Industry-University-Research Collaboration Association.

Management Discussion and Analysis

5. Fulfilling environmental protection and social responsibilities, and facilitating the improvement of green electricity consumption in the capital

In 2024, the Group focused on supply security and safety and environmental protection responsibilities, continued to improve the dual prevention mechanism, comprehensively promoted grid-based, checklist-based and digitalized management of production safety, and actively responded to extreme weather and natural disasters such as flood, typhoon, high heat and severe cold. We strengthened environmental protection compliance management, and have integrated the concept of green development into the entire process of production and operation.

The Group's Xuwen photovoltaic power plant was hit by a super typhoon and restored 90% of its capacity and on-grid power supply within 5 days. It was the power plant with the least damage and the earliest recovery among the power plants of the same type in the same region. Twelve power plants of the Group were awarded as National Demonstration Enterprise for Safety Culture Construction, and 32 power plants of the Group were awarded as Provincial Demonstration Enterprise for Safety Culture Construction. Three of our power generation units were rated as national benchmark units for power generation reliability, and three of our teams were rated as 5A teams with trustworthy quality in the electric power industry. Our "Research and Empirical Application of Legal Risk Assessment Model for Safety Management System of Large Enterprises (Groups)" won the second prize of the Fifth Safety Science and Technology Progress Award of the China Association of Work Safety. We were rated as one of the "Top 500 Global New Energy Enterprises in 2024" and one of the "Wind's Top 100 ESG Best Practices for Chinese Listed Companies in 2024", obtained an AA ESG rating (the highest rating in the utilities industry) from Wind for three consecutive years, and ranked first in the "ESG Pioneer 30 Index" of Beijing-based state-owned enterprises for two consecutive years, continuously improving our corporate image and industry influence.

By conducting annual environmental inspections, the Group has tightened and implemented the principal environmental protection responsibilities at each level, supervised the affiliated companies to carry out environmental protection hazard investigation and rectification, and, adhering to a problem-oriented approach, implemented rectification by learning from past experiences. The Group has strengthened the construction of air pollution prevention and control capabilities. During the three heavy air pollution weather warnings during the year, our Beijing-based companies strictly implemented relevant measures in the contingency plan and increased the frequency of inspections of environmental protection equipment and facilities, thereby achieving compliant emissions.

The 1 million kW wind, photovoltaic, thermal and hydrogen storage demonstration project of the Jingneng Chagan Nur Power Plant of the Group made the first cross-provincial ultra-high voltage "point-to-point" green electricity transaction in China, and signed cross-provincial long-term green power supply contracts with multiple end users in Beijing, with a total contracted power volume of approximately 960 million kWh, facilitating the improvement of green electricity consumption level of the capital.



Management Discussion and Analysis

III. BUSINESS OUTLOOK FOR 2025

2025 is the final year of the “14th Five-Year Plan” and an important year for achieving a comprehensive leap in the high-quality development of the Group. The Group will proactively adapt to new situations such as the accelerated construction of new power systems, the continuous deepening of power market-oriented reforms, the increasing pressure of new energy consumption and the heightening risk of market-oriented fluctuations in electricity tariffs, and will constantly adhere to the principle of seeking rapid and optimal progress while maintaining stability, continuously coordinate the relationship between quality and scale in development, further strengthen its market awareness, use market thinking and market mechanisms to plan new developments, and strive to create greater value for shareholders.

1. Continuously stepping up marketing efforts, and striving to ensure quantity and price

The Group will closely monitor the market supply and demand situation, rely on the data resources of the “three-tier integrated” intelligent management and control system, introduce artificial intelligence tools, realise the automatic capture of power plant marketing data, customise transaction models, dynamically optimise transaction strategies, and strive for transaction benefits. We will further deepen the synergy of heat and electricity, and strive to increase the proportion of heat supply of the central heating network. We will establish an electricity marketing platform, strengthen the construction of the marketing team, improve the marketing organisation, and refine the marketing incentive mechanism. We will develop spot electricity and green electricity transactions, coordinate to increase the proportion of high-price transactions such as cross-provincial transmission, contracted electricity transfer and power generation rights swap, and maintain favourable average transaction price and on-grid electricity volume.



Management Discussion and Analysis

2. Rationally planning the development of new projects, and making every effort to speed up project investment and construction

Based on actual circumstances such as the regional differentiation in new energy consumption and the relationship between supply and demand in the electricity market, the Group will proactively control the pace of project development, scientifically guide new projects to tilt towards regions with good consumption and high electricity tariffs, rationally coordinate the development of strategic emerging projects, coordinate and balance the reasonable relationship between development quality and development speed, and explore incremental space through new business formats.

The Group will keep a close eye on the high-quality resources of “Green Power into Beijing”, and implement the “point-to-point” contract signed for the supply of green electricity to Beijing users in respect of the 1 million kW wind, photovoltaic, thermal and hydrogen storage demonstration project of the Jingneng Chagan Nur Power Plant. We will speed up the preliminary work of the Mentougou pumped storage project, complete the preparation of the



Management Discussion and Analysis

3. Deeply utilising artificial intelligence technology, and continuously cultivating new quality productivity

The Group will focus on the principle of technological work of “consolidating advantageous technologies, exploring innovative technologies, and solving practical problems”, deeply utilise artificial intelligence technology, cooperate with scientific research institutions and well-known universities, facilitate the deep integration of the innovation chain, capital chain and talent chain, continue to cultivate new quality productivity, foster new management models and new development momentum, and create new advantages in differentiated competition. Leveraging the system base of the intelligent supervision center, we will open up data connections between systems, tap data resources, facilitate functional improvement and system iteration, gradually promote the “unattended” model of wind and photovoltaic power plants, and carefully build up active safety, operation optimisation, status inspection and intelligent video functions for gas-fired power plants, so as to continuously improve the reliability and economic efficiency of equipment operation.

4. Firmly adhering to the bottom line, and systematically promoting production safety and infrastructure construction safety

The Group will focus on ensuring a stable energy supply in the capital, systematically promote production safety management, continuously improve the safety risk classification management list, carry out targeted inspections for hazards, earnestly facilitate special rectification of safety management, and ensure the long-term stable operation of the power generation units. We will take proactive measures to address extreme weather, improve the contingency guarantee mechanisms, enhance the contingency plans, and strengthen contingency handling capabilities. We will establish and improve safety management systems and measures for new business formats such as offshore wind power and energy storage. We will orderly facilitate the convergence between unit maintenance and various tasks such as stable power generation and heat supply guarantee. We will systematically strengthen the control of the entire process of infrastructure construction, solidly carry out the special actions to “anti-three violations”, strengthen on-site management of high-risk operations such as working at heights, enhance risk prevention measures such as training of outsourced personnel, and strive to achieve the “six unifications” of safety, quality, progress, cost, efficiency and integrity. We will strengthen the efforts to promote safety through technology, make good use of the “digital safety management platform”, explore the integrated development of new technologies such as artificial intelligence and production safety, and continuously improve the level of intrinsic safety from the aspects of management optimisation and technological innovation.



Management Discussion and Analysis

5. Making good use of the market value management “toolbox”, and actively maintaining the Company’s market value

The Group takes maximising shareholders’ interests as its core goal, and adopts proactive strategies to maintain and enhance the Company’s market value by using the market value management “toolbox”. The Group will proactively communicate with investors and enhance the transparency of information disclosure in the forms such as regular results releases, roadshows, ESG reports and voluntary announcements. We will assess the conditions for entering the “Hong Kong Stock Connect”, strive to increase our circulating market value and endeavour to enter the “Hong Kong Stock Connect” as soon as practicable. We will carefully study the stock repurchase plan to enhance market confidence, and will explore future dividend planning to steadily increase our dividend ratio. The Group will make full use of the above “toolbox”, strive to build a virtuous cycle of “performance growth – valuation repair – shareholders’ returns”, and endeavour to achieve a spiral rise in market value and corporate value.

IV. OPERATING RESULTS AND ANALYSIS

1. Overview

In 2024, the Company’s profit for the year amounted to RMB3,420.9 million, representing an increase of 5.74% as compared with RMB3,235.2 million for 2023. Profit attributable to the equity holders amounted to RMB3,245.0 million, representing an increase of 6.13% as compared with RMB3,057.6 million for 2023.

2. Operating Income

The total operating income increased by 0.57% from RMB20,446.0 million for 2023 to RMB20,561.7 million for 2024, due to the increase in installed capacity of the wind power and photovoltaic power generation segments, resulting in the increase in revenue from sales of electricity.

Gas-fired Power and Heat Energy Generation Segment

The operating income from the gas-fired power and heat energy generation segment decreased by 1.26% from RMB12,568.2 million for 2023 to RMB12,410.3 million for 2024, of which, revenue from sales of electricity decreased by 2.00% from RMB10,462.1 million for 2023 to RMB10,252.8 million for 2024, due to the downward tariff adjustment and the decrease in sales volume of electricity of this segment. Moreover, due to policy adjustment, the tariff subsidy for the heating season has been transferred to the revenue from sales of electricity. Revenue from sales of heat energy increased by 2.44% from RMB2,106.1 million for 2023 to RMB2,157.5 million for 2024.



Management Discussion and Analysis

Wind Power Segment

The operating income from the wind power segment increased by 4.38% from RMB4,511.9 million for 2023 to RMB4,709.3 million for 2024, due to the increase in sales volume of electricity as a result of the increase in grid-connected installed capacity of this segment.

Photovoltaic Power Segment

The operating income from the photovoltaic power segment increased by 4.35% from RMB2,957.8 million for 2023 to RMB3,086.4 million for 2024, due to the increase in sales volume of electricity as a result of the increase in grid-connected installed capacity of this segment.

Hydropower Segment

The operating income from the hydropower segment decreased by 8.86% from RMB322.7 million for 2023 to RMB294.1 million for 2024, due to the decrease in sales volume of electricity of this segment.

Other Segment

Other operating income principally comprises revenue from finance lease business and equipment repairs and maintenance. Other operating income decreased by 27.95% from RMB85.5 million for 2023 to RMB61.6 million for 2024, mainly due to the decrease in revenue from external finance lease.

3. Other Income

Other income decreased by 54.82% from RMB1,126.7 million for 2023 to RMB509.0 million for 2024, due to the downward tariff adjustment of the gas-fired power and heat energy generation segment, and the fact the on-grid tariff of this segment had been adjusted to be fully settled by State Grid Beijing Electric Power Company and shall no longer be funded by the municipal finance departments. Since then, the tariff subsidy for the year has been transferred from other income to operating income for accounting purposes.

4. Operating Expenses

Operating expenses decreased by 3.51% from RMB16,384.8 million for 2023 to RMB15,809.7 million for 2024, details of which are analyzed as follows:

Management Discussion and Analysis

Gas Consumption

Gas consumption decreased by 1.49% from RMB9,365.4 million for 2023 to RMB9,225.6 million for 2024, due to the decrease in gas consumption as a result of the decrease in sales volume of electricity of the gas-fired power and heat energy generation segment, as well as the reduction in gas consumption through the optimization of operation mode by the Company.

Depreciation and Amortization

Depreciation and amortization decreased by 2.81% from RMB3,847.9 million for 2023 to RMB3,739.7 million for 2024, due to the adjustment of the policy for depreciation of fixed assets.

Personnel Cost

Personnel cost increased by 10.81% from RMB1,353.4 million for 2023 to RMB1,499.7 million for 2024, due to the personnel costs expensed following the commencement of production of new projects.

Repairs and Maintenance

Repairs and maintenance decreased by 5.10% from RMB321.7 million for 2023 to RMB305.3 million for 2024, due to the reduction of cost during the year.

Other Expenses

Other expenses principally comprise (1) external purchase of power, water and materials, etc.; (2) property management, greening and fire protection fees; (3) rental expenses; (4) underwriting fees and bank commissions; (5) intermediary service fees; (6) property insurance premium; and (7) other miscellaneous operating expenses.

Other expenses decreased by 3.77% from RMB1,204.9 million for 2023 to RMB1,159.5 million for 2024, due to the remarkable results from the Company's effort in cost reduction and efficiency enhancement.

Other Gains and Losses


Other gains and losses principally comprise (1) compensation for the shutdown of hydropower assets, losses from asset disposals and impairment of operation rights assets; (2) discount on ABS issuance; and (3) increase in share price of CGN Power Co., Ltd., etc. Other gains and losses recorded a loss of RMB283.5 million for 2023, and a gain of RMB130.1 million for 2024.



Management Discussion and Analysis

5. Operating Profit

As a result of the above, operating profit increased by 1.41% from RMB5,187.9 million for 2023 to RMB5,261.1 million for 2024.



Management Discussion and Analysis

7. Share of Results of Associates and a Joint Venture

Share of results of associates and a joint venture decreased from RMB131.2 million for 2023



Management Discussion and Analysis

3. Liquidity

As of 31 December 2024, current assets amounted to RMB24,065.2 million, including monetary capital of RMB7,401.6 million, bills and accounts receivables of RMB14,016.9 million (mainly comprising receivables from sales of electricity and sales of heat), finance lease receivables of RMB83.1 million, and prepayment and other current assets of RMB2,563.6 million (mainly comprising deductible value-added tax and other accounts receivables).

Current liabilities amounted to RMB28,114.8 million, including short-term borrowings of RMB13,154.1 million, short-term financing debentures of RMB5,532.0 million, medium-term notes due within one year of RMB1,114.5 million, corporate bonds of RMB613.4 million, and bills and accounts payables of RMB6,784.1 million (mainly comprising payables for gas, payables for construction projects and purchase of equipment). Other current liabilities amounted to RMB916.7 million, mainly comprising income tax payable and amounts due to related parties.

Net current liabilities increased by 68.77% from RMB2,399.4 million as at 31 December 2023 to RMB4,049.5 million as at 31 December 2024, mainly due to the change in finance structure during the year.

4. Net Gearing Ratio

Net gearing ratio, calculated by dividing net debts (total borrowings minus cash and cash equivalents) by the sum of net debts and total equity, decreased by 0.12 percentage points from 55.65% as at 31 December 2023 to 55.53% as at 31 December 2024.

The Group's long-term and short-term borrowings increased by 8.60% from RMB49,920.9 million as at 31 December 2023 to RMB54,216.0 million as at 31 December 2024, including short-term borrowings of RMB13,154.1 million, long-term borrowings of RMB26,808.5 million, medium-term notes of RMB8,108.0 million, short-term financing debentures of RMB5,532.0 million and corporate bonds of RMB613.4 million. The Group's borrowings of RMB839.2 million were denominated in Australian dollars while other borrowings were denominated in Renminbi, of which the proportion of borrowings carried at fixed interest rate was 20.4%.

Bank deposits and cash held by the Group increased by 12.06% from RMB6,605.1 million as at 31 December 2023 to RMB7,401.6 million as at 31 December 2024. Details of the currencies of the Group's cash and cash equivalents are set out in note 32 to the Financial Statements.

VI. OTHER SIGNIFICANT EVENTS

1. Financing

On 16 April 2024, the Group completed the issuance of the first tranche RMB1,700 million 248-day ultra-short-term financing debentures of 2024 at an interest rate of 1.93%;

On 28 June 2024, the Group completed the issuance of the second tranche RMB2,000 million 270-day ultra-short-term financing debentures of 2024 at an interest rate of 1.77%;

On 26 July 2024, the Group completed the issuance of the third tranche RMB1,500 million 270-day ultra-short-term financing debentures of 2024 at an interest rate of 1.97%;

On 13 December 2024, the Group completed the issuance of the fourth tranche RMB2,000 million 270-day ultra-short-term financing debentures of 2024 at an interest rate of 1.74%;

On 9 July 2024, the Group completed the issuance of the first tranche RMB1,500 million medium-term notes of 2024, with a period of 5 years and at an interest rate of 2.33%;

On 25 November 2024, the Group completed the issuance of the second tranche RMB1,000 million medium-term notes of 2024, with a period of 3+N years and at an interest rate of 2.30%.

The commissions paid for each of the above fund raising activities were no more than RMB2.1 million.

2. Capital Expenditure

In 2024, the Group's capital expenditure amounted to RMB6,973.7 million, including RMB879.4 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB2,976.9 million incurred for construction projects in the wind power segment, RMB3,086.5 million incurred for construction projects in the photovoltaic power segment, RMB11.9 million incurred for construction projects in the hydropower segment, and RMB19.0 million incurred for construction projects in other segment.

3. Acquisition and Establishment of Subsidiaries

According to the development plan of the Company, in 2024, the Company achieved scale expansion through acquisition and establishment of companies, including the acquisition of six companies including, among others, Danyang Xiezhong New Energy Co., Ltd. (丹陽市協眾新能源有限責任公司) which are engaged in wind power and photovoltaic power generation projects; and the establishment of 19 project companies including, among others, Beijing Yanqing Jingneng Clean Energy Co., Ltd. (北京延慶京能清潔能源有限公司) which are engaged in wind power and photovoltaic power generation projects.

In 2024, Sanming Jingneng Clean Energy Power Co., Ltd. (三明京能清潔能源電力有限公司), Huludao Nanpiao Wanhe New Energy Co., Ltd. (葫蘆島南票萬和新能源有限公司) and Jingneng Luanping Clean Energy Co., Ltd. (京能灤平清潔能源有限公司) completed company deregistration due to project termination.



Management Discussion and Analysis

On 20 August 2024, Beijing Jingneng Clean Energy (Hong Kong) Co., Limited (“**BJCE HK**”) and Beijing Energy International (Australia) Holding Pty Ltd (“**BJEI Australia**”) entered into a share sale and purchase agreement, pursuant to which BJCE HK sold its 40% equity interest in Beijing Jingneng Clean Energy (Australia) Holding Pty Ltd to BJEI Australia for a consideration of AU\$190 million. The equity transfer was completed on 30 September 2024.

There are two new associates of the Company, i.e. Shantou Offshore Wind Power Co., Ltd. (汕頭海上風電電力有限公司) and Guangxi Beitou All New Energy Co., Ltd. (廣西北投全新能源有限公司), which are engaged in wind power generation business, with shareholding percentages being 43% and 30%.

4. Contingent Liabilities

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

5. Pledge of Assets

As of 31 December 2024, the Group’s bank borrowings were secured by bank deposits of

Management Discussion and Analysis

8. Changes in Accounting Estimates during the Year

On 29 August 2024, the Board approved to change the useful lives of the fixed assets with effect from 1 August 2024. According to the relevant requirements of IFRS 16 – Property, Plant and Equipment, the Group conducted detailed assessment on the operation conditions of assets of its subordinate power plants during the Reporting Period and, upon consideration and approval by the Board, changed the useful lives of the fixed assets with effect from 1 August 2024 with reference to the depreciation policies implemented by listed companies in the same industry and based on the management requirements of the Group, with an aim to more objectively and fairly reflect the useful lives and actual use of fixed assets. The changes to the useful lives of the assets represent changes in accounting estimates, which shall be accounted prospectively without retrospective adjustments to the disclosed financial statements, and will not have any impact on the financial position and operating results of the Company for previous years. For details, please refer to the announcement of the Group dated 29 August 2024.

VII. RISK FACTORS AND RISK MANAGEMENT

Macro-environmental Risk

Amid sluggish global economic growth, intensified international economic and trade frictions, and more pressure on downward domestic economy, the Group's business development suffered significant impact. A tendency of clean, low-carbon, electrified, and digital development has emerged in the supply and demand structure of energy. Whether the Group can grasp the structural reforms on the power supply side, fully mobilize demand-side to response resources, and promote the development trend of green transformation and upgrading of the power industry are also related to the future development of the Group.

Changes in the macro environment present challenges but more opportunities for the development of the Group. In order to accommodate the changes in the macro environment by closely monitoring fluctuations in economic situation and development situation of new energy, the Group turns crises into opportunities by vigorously developing new energy business, making efforts in power marketing, exploring the development of hydrogen energy and energy storage business and offshore wind power business.

Policy and Regulatory Risks

The Group primarily invests in and operates clean energy generation projects, which are encouraged by the country. The implement of the renewable energy quota policy brings out the benefits of the policy for further mitigating the power consumption problem of renewable energy; with the drop in power price of new energy resulting from the promotion of market-oriented reform of electric power, the decrease or cancellation of policy subsidies, and the increasing volume of electric power traded, the operation and development of new energy industry faced serious challenges.

The Group actively follows up and properly keeps abreast of information changes, puts more effort into research related to policy and technology, actively collects and studies policy information related to clean energy, pays close attention to the development and application of related new technologies, and actively carries out work in terms of technology reserves to prevent and resolve policy risk.

Human Resources

The Company upholds the management philosophy of “being people-oriented and pursuing excellence”, strives to create a harmonious working environment, and strengthens efforts in building of talents team. While focusing on the development of the Company, it attaches importance to staff training and employees’ benefits. The overall human resources condition of the Company in 2024 is summarized as follows:

I. SUMMARY OF HUMAN RESOURCES

The Company had a total of 3,176 employees as at 31 December 2024. The age of staff tended to be young, with the proportion of employees under the age of 35 accounting for over 45.78%; employees are generally highly educated, with the proportion of holders of Bachelor degree and above degrees accounting for approximately 76.83% of the total staff. Please refer to the following tables for details of the age and educational structure of employees:

1. Age Structure:

Age distribution	Number of employees	Percentage	Cumulative percentage
Under 35	1,454	45.78%	45.78%
36 to 45	986	31.05%	76.83%
46 to 55	627	19.74%	96.57%
Over 56	109	3.43%	100.00%
Total	3,176	100.00%	–

2. Educational Structure:

Educational background	Number of employees	Percentage	Cumulative percentage
Doctorate degree	5	0.16%	0.16%
Master’s degree	241	7.59%	7.75%
Bachelor’s degree	2,251	70.88%	78.63%
College or below	679	21.37%	100.00%
Total	3,176	100.00%	–

II. EMPLOYEES' INCENTIVES

With an aim to cope with its development, the Group, on the basis of position-oriented targets accountability system, has further established a performance appraisal system for all employees and a multi-level and medium-to-long term incentive mechanism. Through clearly defining position-oriented performance targets, the Company is able to assess and appraise employees' performance in an objective manner. By materializing reward and penalty in the performance-based portion of the employees' remuneration based on appraisal results, the Company is able to fully boost the potential and the morale of employees, thus achieving the coexistence of incentives and restraints. In addition, at the extraordinary general meeting held on 2 February 2024, the shareholders of the Company considered and approved the adoption of the H Share Appreciation Rights Scheme and the grants thereunder. Details of the scheme are set out in "Report of the Directors – H Share Appreciation Rights Scheme".

III. EMPLOYEES' REMUNERATION

The Company continues to improve the measures on payroll management, so as to achieve closed-loop full-process management covering budget, execution, adjustment and settlement. The Company has implemented a linkage mechanism between wage and performance for various types of enterprises, whereby corporate efficiency varies with the salary and wage in the same direction. For details of the Group's personnel costs for 2024, please refer to note 12 to the Financial Statements.

IV. EMPLOYEES' TRAINING

Upholding the core value of "being people-oriented and pursuing excellence" and the talent philosophy of "nurturing everyone into a talent by unleashing their utmost potential", the Company makes it a priority to cultivate a high-quality workforce, with an aim to enhance the core competitive strength of the Company. The Company adhered to the goal of "cultivating and building a well-structured workforce with sufficient number of high-quality and innovative talents", so as to ensure a stable talent supply for the high-quality development of the Company.

Insisting on the development philosophy of "fostering an enterprise with strong talent base" and focusing on the goal of building "three teams" featured with clean energy characteristics, the Company provides tailor-made training with content-rich and diversified courses by employing the "3+3+X" training mode and training need matrix based on the age structure of "old, middle and young talent" and position nature of "management, technique, skill, party affairs and new employees", recording an attendance rate of 100% of the staff.

V. EMPLOYEES' BENEFITS

The Company has made contributions to the social insurance and housing fund for its employees in strict compliance with the Labor Law, Labor Contract Law and Social Insurance Law. Meanwhile, the Group has also formulated related systems such as the Management Standards for Social Insurance and Housing Fund, Management Standards for Supplementary Healthcare, Management Standards for Occupational Health, Management Standards for Labor Welfare and Management Standards for General Labor Protective Equipment to increase the benefits of the Company and enhance employees' sense of belonging and happiness.

Profiles of Directors, Supervisors and Senior Management

EXECUTIVE DIRECTORS

Mr. CHEN Dayu (陳大宇), aged 54, is the Chairman of the Board, an executive Director and the chairman of the Strategy Committee under the Board of the Company. Mr. Chen served as a specialist engineer in the power production and operation department and power energy business department of Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司) from December 2004 to April 2007; deputy general manager of Inner Mongolia Shangdu Power Generation Co., Ltd. (內蒙古上都發電有限責任公司) from April 2007 to May 2009; deputy general manager of Ningxia Jingneng Ningdong Electric Power Co., Ltd. (寧夏京能寧東發電有限責任公司) from May 2009 to September 2010; general manager of Beijing Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. (北京京能高安屯燃氣熱電有限責任公司) from September 2010 to November 2017; secretary of CPC Committee, executive director and general manager of Beijing Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. from November 2017 to January 2018; secretary of CPC Committee and executive director of Beijing Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. from January 2018 to December 2018; secretary of CPC General Branch and executive director of Beijing Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. from December 2018 to May 2020; head of enterprise management division of BEH from February 2020 to November 2020; and chairman of the board of Beijing Jingneng International Energy Technology Co., Ltd. from September 2021 to September 2022. Mr. Chen served as the deputy party secretary of the Company from October 2020 to March 2024; the general manager of the Company from November 2020 to April 2024. He has been serving as an executive Director since February 2021; the party secretary of the Company since March 2024; and the Chairman of the Board of the Company since April 2024. Mr. Chen graduated from Department of Power Engineering of North China Electric Power University (華北電力學院) in 1992, majoring in production process automation and obtained a bachelor's degree in engineering. He studied on-the-job in the Department of Electrical Engineering and Applied Electronic Technology of Tsinghua University (清華大學), majoring in electrical engineering and obtained a master's degree in engineering in January 2014. Mr. Chen holds the senior engineer professional and technical qualification.

Mr. LI Minghui (李明輝), aged 48, is an executive Director and the general manager, a member of the Strategy Committee and the Legal and Compliance Management Committee under the Board of the Company. He has more than 15 years of management experience in the electric power industry. Mr. Li served as the deputy general manager (in charge of the work) of Xilin Gol Jixiang Huaya Wind Power Generation Co., Ltd. (錫林郭勒吉相華亞風力發電有限責任公司) from July 2007 to September 2008; the deputy general manager of Inner Mongolia Wind Power Branch of Beijing Jingneng International Power Co., Ltd. (北京京能國際能源股份有限公司內蒙古風電分公司) from September 2008 to July 2009; the deputy general manager of Beijing Jingneng New Energy Co., Ltd. (北京京能新能源有限公司) from July 2009 to January 2018; the general manager of Beijing Jingfeng Thermal Power Co., Ltd. (北京京豐熱電有限責任公司) and Beijing Jingfeng Gas Power Generation Co., Ltd. (北京京豐燃氣發電有限公司) from January 2018 to June 2020; the deputy party secretary of Beijing Jingfeng Gas Power Generation Co., Ltd. (北京京豐燃氣發電有限公司) from March 2018 to June 2020; the provisional secretary of the party committee of Beijing Branch of the Company from June 2020 to November 2020 and then its secretary of the party committee from November 2020 to September 2022; and the executive director of Beijing Jingneng New Energy Co., Ltd. (北京京能新能源有限公司) from June 2020 to September 2022. Mr. Li has been the deputy general manager of the Company from November 2022 to April 2024; an executive Director of the Company since August 2023; the deputy party secretary of the Company since March 2024; and the general manager of the Company since April 2024. Mr. Li graduated from North China Electric Power University (華北電力大學) in July 1998 with a bachelor's degree in electric power system and automation. Mr. Li studied on-the-job in Tsinghua University (清華大學) and obtained a master's degree in electrical engineering in January 2016. Mr. Li holds the senior engineer professional and technical qualification.

Profiles of Directors, Supervisors and Senior Management

Mr. ZHANG Wei (張偉), aged 57, is an executive Director, a member of the Strategy Committee under the Board, the deputy general manager, the secretary of the Board of Directors and the joint company secretary of the Company. He has more than 15 years of experience in finance and capital operation management. Mr. Zhang served as the director of the preparatory office of the finance company of Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司財務公司) and the general manager of BEH Shenyang Finance Co., Ltd. (京能集團瀋陽財務有限公司) from January 2006 to May 2006; the general manager of BEH Finance Co., Ltd. (京能集團財務有限公司) from May 2006 to May 2018 and the secretary of the party branch of the same company from March 2007 to May 2018; the head of the property rights and capital operation department of BEH from May 2018 to July 2022 and the head of the assets and capital management department of BEH from July 2022 to March 2023; the chairman of the supervisory committee of Beh-Property Co., Ltd. (京能置業股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 600791) and BEH Finance Co., Ltd. (京能集團財務有限公司) from October 2018 to March 2023; a member of the investment decision-making committee of Chongqing Fudu Equity Investment Fund Partnership Enterprise (Limited Partnership) (重慶富都股權投資基金合夥企業(有限合夥)), a member of the investment advisory committee of Xiamen Saifu Equity Investment Partnership Enterprise (Limited Partnership) (廈門賽富股權投資合夥企業(有限合夥)), a member of the strategic advisory committee and an observer of the investment decision-making committee of Beijing Z-Park Fund Investment Center (Limited Partnership) (北京中關村併購母基金投資中心(有限合夥)), a member of the investment decision-making committee of Beijing Shunlong Investment Development Fund (Limited Partnership) (北京順隆投資發展基金(有限合夥)), and a director of Beijing Shunlong Private Debt Investment Fund Management Co., Ltd. (北京順隆私募債券投資基金管理有限公司) from June 2020 to March 2023; a director of Beijing Jingneng Tongxin Investment Management Co., Ltd. (北京京能同鑫投資管理有限公司) from September 2021 to March 2023; and a director of Beijing Jingneng Financial Leasing Co., Ltd. (北京京能融資租賃有限公司) from November 2021 to March 2023. Mr. Zhang has been the deputy general manager of the Company since April 2023; the secretary of the Board of Directors and the joint company secretary of the Company since June 2023; an executive Director of the Company since August 2023; and a director of Beijing Jingneng Clean Energy (Hong Kong) Co., Limited (北京京能清潔能源電力股份(香港)有限公司) since December 2023. Mr. Zhang graduated from the department of infrastructure economics of the Central Institute of Finance and Economics (中央財政金融學院) in July 1990, majoring in infrastructure finance and credit, and obtained a bachelor's degree in economics. Mr. Zhang holds the professional technical qualifications of senior economist and accountant.

Profiles of Directors, Supervisors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. ZHOU Jianyu (周建裕), aged 57, is a non-executive Director and the chairman of the Legal and Compliance Management Committee under the Board of the Company. Mr. Zhou served as a staff member of the fourth plant (the “**Fourth Plant**”) of Beijing Coal Corporation (北京市煤炭總公司), the deputy director and then the director of the briquette workshop of the Fourth Plant, the assistant to the director of the Fourth Plant, the director of the seventh plant of Beijing Coal Corporation, and the director and deputy general manager of the first plant of Beijing Coal Corporation from June 1989 to October 2001; successively served as the deputy general manager, a member of the standing committee of the Communist Party Committee, executive deputy general manager and a director of Beijing Jintai Hengye Co., Ltd. (北京金泰恒業有限責任公司) from October 2001 to April 2010; served as the secretary of the Communist Party Committee and the chairman of the board of directors of Beijing Jintai Group Co., Ltd. (北京金泰集團有限公司) from April 2010 to September 2018; served as the deputy general manager of Beijing Jingmei Group Co., Ltd. (北京京煤集團有限責任公司) from September 2010 to October 2010; served as a member of the standing committee of the Communist Party Committee and deputy general manager of Beijing Jingmei Group Co., Ltd. from October 2010 to January 2018; served as the secretary of the Communist Party Committee and the chairman of the board of directors of Beijing Jingmei Group Co., Ltd. from January 2018 to September 2018; presided over the work of the board of directors of Beh-Property Co., Ltd. (北京京能置業股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600791) from May 2018 to October 2018; and served as the secretary of the Communist Party Committee and the chairman of the board of directors of Beh-Property Co., Ltd. from October 2018 to February 2021. He has been serving as a full-time investment director of BEH since February 2021; a supervisor of China Aluminum Ningxia Energy Group Co., Ltd. (中鋁寧夏能源集團有限公司) since March 2021; a supervisor of Beijing Jingtai Transportation Investment Operation Co., Ltd. (北京靜態交通投資運營有限公司) since November 2021; a director of BDHG, Beijing Jingneng Thermal Development Co., Ltd. (北京京能熱力發展有限公司) and Beijing Jingneng Technology Co., Ltd. (北京京能科技有限公司) since June 2022; a non-executive Director of the Company since September 2022; and a director of Beijing Jingneng Power Co., Ltd. (a company listed on the Main Board of the Shanghai Stock Exchange, stock code: 600578) since December 2022. Mr. Zhou graduated from China University of Mining and Technology (中國礦業大學), majoring in coal chemical industry, with a bachelor’s degree in engineering in June 1989. In September 1998, Mr. Zhou graduated from Renmin University of China (中國人民大學) of the on-the-job postgraduate study in business administration. In July 2013, Mr. Zhou studied on-the-job in Peking University’s senior management MBA program and obtained a master’s degree in business administration. Mr. Zhou holds the senior economist professional and technical qualification and the senior engineer professional and technical qualification.

Mr. SONG Zhiyong (宋志勇), aged 34, is a non-executive Director and a member of the Audit Committee under the Board of the Company. Mr. Song consecutively served as the business assistant, business head and business manager of the equity management department of Beijing State-owned Capital Operation Management Center (北京國有資本經營管理中心) from August 2016 to May 2021; and the business manager of the equity management department of BSCOMC from May 2021 to November 2021, during which he was seconded to Beijing Municipal Bureau of Finance (北京市財政局) from October 2020 to September 2021. He served as the business manager of the capital operation department of BSCOMC from November 2021 to December 2024. He has been serving as the senior manager of the capital operation department of BSCOMC since January 2025; and a non-executive Director of the Company since March 2022. Mr. Song graduated from the Law School of Tsinghua University with a master’s degree in law in July 2016.



Profiles of Directors, Supervisors and Senior Management

Ms. ZHANG Yi (張軼), aged 54, is a non-executive Director and a member of the Remuneration and Nomination Committee under the Board of the Company. Ms. Zhang has extensive work experience in investment management, risk control and compliance management. Ms. Zhang successively served as a cadre of the business department of the People's Insurance Company of China (中國人民保險公司), the deputy director and then the director of the bond division of the fund utilization department, and the manager of the bond business department of the investment management center of China Insurance Reinsurance Company (中保再保險有限公司) from August 1993 to February 2005; successively served as the assistant general manager, deputy general manager and general manager of risk control and compliance department, general manager of general management department, and general manager of internal control and compliance risk management department of China Re Asset Management Co., Ltd. (中再資產管理股份有限公司) from February 2005 to April 2015; served as the general manager of the asset management department of China Continent Property & Casualty Insurance Co., Ltd. (中國大地財產保險股份有限公司) from May 2015 to January 2019; and successively served as the chief risk management executive officer, compliance officer, risk control director and general manager of risk control center of China Re Asset Management Co., Ltd. from January 2019 to November 2022. She has been serving as an executive director and the general manager of China Re Asset Management (Hong Kong) Co., Ltd. since July 2022; and a non-executive Director of the Company and a non-executive director of CSSC (Hong Kong) Shipping Company Limited (中國船舶(香港)航運租賃有限公司) (a company listed on the Hong Kong Stock Exchange with share number 00316) since September 2022.

Profiles of Directors, Supervisors and Senior Management

Mr. WANG Hongxin (王洪信), aged 61, is an independent non-executive Director and a member of the Legal and Compliance Management Committee under the Board of the Company, and has more than 25 years of experience in corporate governance and equity and securities investment management. Mr. Wang served as the secretary to the board of directors, director, deputy general manager and member of the party committee of Maoming Yongye (Group) Co., Ltd. (茂名永業(集團)股份有限公司, currently known as Guangdong Highsun Group Co., Ltd. (廣東海印集團股份有限公司)) (a company listed on the Shenzhen Stock Exchange with stock code of 000861) from June 1998 to December 2003; an assistant to the general manager of China National Materials Development and Investment Corporation (中國物資開發投資總公司) from March 2004 to May 2005; an executive director and managing director of China Chengtong Development Group Co., Ltd. (中國誠通發展集團有限公司) (a company listed on the Hong Kong Stock Exchange with stock code of 00217) from May 2005 to June 2017; a director and deputy secretary of the party committee of China Chengtong Hong Kong Limited (中國誠通香港有限公司) from October 2008 to December 2017; the general manager of Zhuhai Yunkang Tongsheng Equity Investment Fund Management Co., Ltd. (珠海雲康同盛股權投資基金管理有限公司) from January 2018 to July 2019; the deputy general manager and the general manager of Dali Pharmaceutical Co., Ltd. (大理藥業股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 603963) from October 2019 to April 2021; and an executive director, chief executive officer, chairman of China region and chief investment officer of Zhong Ji Longevity Science Group Limited (中基長壽科學集團有限公司) (a company listed on the Hong Kong Stock Exchange with stock code of 00767) from May 2021 to February 2022. Mr. Wang has been serving as the managing director of Shanghai Shunxingu Semiconductor Technology Co., Ltd. (上海順心穀半導體科技有限公司) since August 2022, the chairman and general manager of Wuhan Daotian Plasma Technology Co., Ltd. (武漢稻田等離子技術有限公司) since February 2023, and an independent non-executive Director of the Company since August 2023. He has been serving as a juror of the High Court of Hong Kong since April 2022. Mr. Wang graduated from the department of Chinese Language and Literature of Jilin Normal University (吉林師範大學), majoring in Chinese Language and Literature and obtained a bachelor's degree in July 1986. He studied on-the-job in the Executive MBA (EMBA) program of Guanghua School of Management of Peking University and obtained a master's degree in July 2003. Mr. Wang holds qualification as securities analyst and fund manager.

Mr. QIN Haiyan (秦海岩), aged 54, is an independent non-executive Director and a member of the Strategy Committee under the Board of the Company, and has more than 20 years of experience in the field of renewable energies such as wind and solar energy as well as in the field of products inspection and testing. Mr. Qin served as an engineer at China Classification Society (中國船級社) from July 1994 to July 2003. He has been serving as the head of Beijing General Certification Center (北京鑒衡認證中心) since January 2004 and the secretary general of the Chinese Wind Energy Association under China Renewable Energy Society (中國可再生能源學會風能專業委員會) since July 2004. He served as an independent director, a member of the strategic committee and the remuneration and assessment committee, and chairman of the nomination committee of CECEP Wind-Power Corporation (中節能風力發電股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 601016) from July 2017 to July 2023. Mr. Qin has been serving as an independent director and a member of the strategic committee of Shenergy Company Limited (申能股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 600642) since June 2020; an independent director and a member of the strategic committee, the nomination committee and the remuneration and assessment committee of Nyocor Co., Ltd. (金開新能源股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 600821) since September 2020; an independent non-executive director and a member of the nomination committee of China Datang Corporation Renewable Power Co., Limited (中國大唐集團新能源股份有限公司) (a company listed on the Hong Kong Stock Exchange with stock code of 01798) since June 2022, and an independent non-executive Director of the Company since August 2023. Mr. Qin graduated from the Department of Power Mechanical Engineering (動力機械工程系) of Shanghai Jiao Tong University (上海交通大學) in July 1994, majoring in thermal power machinery and equipment (熱能動力機械與裝置專業), and obtained his bachelor's degree. He graduated from the School of Business of Renmin University of China (中國人民大學商學院) in July 2002, majoring in business administration, and obtained a master's degree. In October 2010, Mr. Qin was awarded with the second prize of the Chinese Mechanical Industry Science and Technology Award (中國機械工業科學技術獎二等獎).

Profiles of Directors, Supervisors and Senior Management

Ms. HU Zhiying (胡志穎), aged 47, is an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration and Nomination Committee under the Board of the Company, and has more than 20 years of experience in financial management and accounting. Ms. Hu served as a lecturer at the School of Economics and Management of University of Science and Technology Beijing (北京科技大學) from April 2004 to June 2011. She concurrently served as an independent director and chairman of the audit committee of Sinosteel Tiancheng Environmental Protection Science & Technology Co., Ltd. (中鋼集團天澄環保科技股份有限公司) from July 2004 to October 2009. From January 2016 to January 2017, she served as a visiting scholar at University of Texas at Dallas in the United States (美國德州大學 達拉斯分校). From January 2017 to July 2017, she served as an independent director of Zhejiang Yingfeng Technology Co., Ltd. (浙江迎豐科技股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code 605055). She has been a member of the Agricultural and Environmental Audit Professional Committee of the Beijing Audit Institute (北京審計學會農業與資源環境審計專業委員會) from November 2021 to November 2023; an associate professor and a postgraduate tutor of the finance and accounting department of the School of Economics and Management of University of Science and Technology Beijing since June 2011; the deputy chairman of the Financial Management Branch of the Construction Accounting Society of China (中國建設會計學會財務管理分會) since June 2023; and an independent non-executive Director of the Company since August 2023. Ms. Hu graduated from Xiamen University (廈門大學) in July 1998, majoring in accounting, and obtained a bachelor's degree. She obtained her master's degree in accounting in July 2001 and obtained her Ph.D degree in accounting in July 2004 from Chinese Academy of Fiscal Sciences (中國財政科學研究院). Ms. Hu was elected as a leader in academic accounting by the Ministry of Finance (財政部學術類會計領軍人才) in 2017. She is a non-practicing member of the Chinese Institute of Certified Public Accountants.



Profiles of Directors, Supervisors and Senior Management

SUPERVISORS

Mr. SUN Li (孫力), aged 59, is the chairman of the Board of Supervisors of the Company. Mr. Sun served as the deputy director of the News Department of the General Office of the Ministry of Water Resources from August 1996 to December 1998; a cadre of the Office of Preparation for Water Resources Dispatch Building of the Ministry of Water Resources from January 1999 to May 2002; the head of general manager office of Beijing International Power Development and Investment Corporation from May 2002 to December 2004; the head of the office of board of directors, director of human resources department, party branch secretary and head of the general manager office of Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司) from December 2004 to December 2014; the head of the general manager office, head of human resources department and deputy director of the organization department of the party committee of BEH from December 2014 to May 2018; the secretary of party committee and executive director of Beijing Yuanshen Energy Saving Technology Co., Ltd. (北京源深節能技術有限責任公司) from May 2018 to June 2020; and a director of Beijing Jingneng International Power Co., Ltd. (北京京能國際能源股份有限公司) from January 2022 to March 2023. Mr. Sun has been a full-time investment director of BEH since June 2020; a supervisor of Jingneng Xilinguole Energy Co., Ltd. (京能錫林郭勒能源有限公司) and a director of Beijing Haohua Energy Resource Co., Ltd. (北京昊華能源股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code 601101) since July 2020; a Supervisor of the Company since September 2020 and the chairman of the Board of Supervisors of the Company since October 2024; the chairman of the board of supervisors of Investment Beijing International Co., Ltd. (投資北京國際有限公司) since November 2020; a director of BAIC Motor Corporation Limited (北京汽車股份有限公司) (a company listed on the Hong Kong Stock Exchange with stock code 01958) since January 2021; a director of Beh-Property Co., Ltd. (京能置業股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 600791) since May 2021; a director of Beijing Jingneng Leasing since November 2021; and a supervisor of BDHG and Beijing Jingneng Thermal Development Co., Ltd. (北京京能熱力發展有限公司) since January 2022. Mr. Sun graduated from the Department of Journalism of Chinese People's Police University (中國人民警官大學) majoring in journalism and obtained a bachelor's degree of Arts in July 1988, and graduated from the School of Business Administration of Renmin University of China (中國人民大學) majoring in business administration and obtained a master's degree in business administration in June 2001.

Profiles of Directors, Supervisors and Senior Management

Mr. LIU Guoli (劉國立), aged 56, is a Supervisor of the Company. Mr. Liu served as the project manager of the investment department at Beijing Composite Investments Company (北京市綜合投資公司) from April 1998 to December 1999; the manager of the bidding department of Beijing Shihuan Jietian Energy Technology Development Co., Ltd. (北京世環潔天能源技術開發有限責任公司) from December 1999 to December 2000; the deputy manager (in charge of work) of the investment banking department at Beijing Composite Investments Company from September 2001 to November 2003; the manager of the information department of Beijing Composite Investments Company from November 2003 to December 2004; deputy director of the board office at Beijing Energy Investment Holding Co., Ltd. (北京能源投資(集團)有限公司) from December 2004 to January 2007; the deputy manager (in charge of work) of the information and statistics department of Beijing Energy Investment Holding Co., Ltd. from January 2007 to December 2009; secretary of the party branch and the deputy general manager of Beijing High-Tech Venture Capital Co., Ltd. (北京高新技術創業投資股份有限公司) from December 2009 to September 2010; and successively served as the deputy general manager, the acting secretary of party committee, the secretary of party committee, general manager, and executive director of Beijing Tianchuang Real Estate Development Co., Ltd. (北京市天創房地產開發有限公司) from September 2010 to February 2020. Mr. Liu has been serving as a full-time investment director of BEH since February 2020; supervisor of Beijing Ruihe Insurance Brokerage Co., Ltd. (北京瑞和保險經紀有限公司) since June 2020; supervisor of Shandong Luxin Investment Group Co., Ltd. (山東魯信投資集團股份有限公司) since November 2020; supervisor of Beijing Healthy Pension Group Co., Ltd. (北京健康養老集團有限公司) since August 2021; director of Jingneng (Shandong) Energy Co., Ltd. (京能(山東)能源有限公司), Beijing Jingmei Group Co., Ltd. (北京京煤集團有限責任公司) and Jingneng Service Management Co., Ltd. (京能服務管理有限公司) since November 2021; supervisor of Beijing Jingneng Financial Leasing Co., Ltd. (北京京能融資租賃有限公司) since January 2022; chairman of the board of supervisors of Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 600578) and Beijing Jingneng Financial Leasing Co., Ltd. (北京京能融資租賃有限公司) and director of Jingneng Real Estate (Tianjin) Co., Ltd. (京能置業(天津)有限公司) since August 2024. Mr. Liu graduated from the School of Economics and Business Administration of Northern Jiaotong University (北方交通大學) in the PRC in April 1998, majoring in technological economics, with a master's degree in economics. Mr. Liu holds the professional qualification of senior economist.

Ms. QIN Yi (秦懿), aged 42, is an employee Supervisor of the Company, and has been the senior manager of the legal compliance department of the Company since January 2024. Ms. Qin served as an auditor of Ascenda (Beijing) Certified Public Accountants (天健光華(北京)會計師事務所有限公司, currently known as Ascenda Certified Public Accountants (天健正信會計師事務所有限公司)) from April 2010 to January 2012; the project manager of Da Hua Certified Public Accountants Co., Ltd. (大華會計師事務所有限公司) from January 2012 to January 2013; the senior project manager of Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合夥)) from January 2013 to December 2015. She served as the head of audit department of the Company from December 2015 to July 2018; the business manager of the legal and internal control department of the Company from July 2018 to July 2021; and the business manager of the legal compliance department of the Company from July 2021 to January 2024. Ms. Qin graduated from the IEN International Institute of Dalian Jiaotong University (大連交通大學愛恩國際學院) with a bachelor's degree in accounting in July 2005. She graduated from Flinders University (弗林德斯大學) in South Australia with a bachelor's degree in accounting in September 2007. She obtained a master's degree from University of Queensland (昆士蘭大學) in Australia in July 2009, majoring in applied finance. Ms. Qin holds the intermediate accountant professional and technical qualification.



Profiles of Directors, Supervisors and Senior Management

SENIOR MANAGEMENT

Mr. CHEN Dayu (陳大宇), aged 54, is the Chairman of the Board and an executive Director of the Company. Please refer to his biography under the paragraph headed “– Executive Directors” above.

Mr. LI Minghui (李明輝), aged 48, is an executive Director and the general manager of the Company. Please refer to his biography under the paragraph headed “– Executive Directors” above.

Mr. ZHANG Wei (張偉), aged 57, is an executive Director, a deputy general manager, the secretary of the Board of Directors and the joint company secretary of the Company. Please refer to his biography under the paragraph headed “– Executive Directors” above.

Mr. ZHAO Jianbo (趙劍波), aged 57, is a deputy general manager of the Company and has more than 30 years working experience in the electric power industry. Mr. Zhao successively served as the director of the engineering department, the assistant to the general manager and chief engineer of Inner Mongolia Daihai Power Generation Co., Ltd. (內蒙古岱海發電有限責任公司) from January 2005 to November 2007; the deputy general manager of Inner Mongolia Jingtai Power Generation Co., Ltd. (內蒙古京泰發電有限責任公司) from November 2007 to August 2009; the deputy general manager of Beijing International Electric Engineering Co., Ltd. (北京國際電氣工程有限公司) from August 2009 to September 2011; the deputy party secretary, general manager and executive director of Beijing Jingxi Power Generation Co., Ltd. (北京京西發電有限責任公司) and the deputy party secretary, general manager, party secretary and executive director of Beijing Jingxi Gas-fired Power Co., Ltd. (北京京西燃氣熱電有限公司) from September 2011 to June 2018; the deputy general manager of Beijing Jingneng Power Co., Ltd. (北京京能電力股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code 600578) from May 2018 to November 2018; and the party committee member and deputy general manager of Beijing Jingneng Power Co., Ltd. from November 2018 to November 2023. He has been the deputy general manager of the Company since November 2023. Mr. Zhao graduated from Taiyuan University of Technology (太原工業大學) in July 1990, majoring in thermal energy engineering, and obtained a bachelor's degree in engineering. Mr. Zhao holds the professional technical qualification of senior engineer.



Profiles of Directors, Supervisors and Senior Management

Ms. FANG Xiujun (方秀君), aged 54, is a deputy general manager and the chief accountant of the Company, and has over 20 years of financial management experience in the power industry. Ms. Fang successively served as an accountant of financial department of Beijing Composite Investments Company (北京市綜合投資公司), deputy director of finance of Beijing Toronto International Hospital (北京多倫多國際醫院) via dispatch, project manager and deputy manager of financial department of Beijing Composite Investments Company from March 1996 to December 2004; and successively served as the deputy manager of financial department, deputy manager of planning finance department, deputy director of finance and property management department of Beijing Energy Investment and deputy director of financial



Profiles of Directors, Supervisors and Senior Management

Mr. GAO Yanqing (高延慶), aged 49, has 21 years of experience in energy industry. Mr. Gao served as the deputy general manager of Beijing Jingneng Oil and Gas Resources Development Co., Ltd. (北京京能油氣資源開發有限公司) from April 2013 to November 2019 and the chairman of its labor union from November 2018 to November 2019; the project manager of Jingneng Shandong Project from November 2019 to September 2021; the deputy secretary of the party committee of the Beijing Branch of the Company from March 2021 to September 2022; the general manager of the Beijing Branch from March 2021 to October 2022; the party secretary of the Beijing Branch from September 2022 to May 2024; the executive director of Beijing Jingneng New Energy Co., Ltd. (北京京能新能源有限公司) from September 2022 to May 2024. He has been serving as the deputy general manager of the Company since July 2024. Mr. Gao graduated from the Department of Electrical Engineering of Tsinghua University in the PRC in 2004 with a doctorate degree in engineering, majoring in electrical engineering. Mr. Gao holds the professional technical qualifications of senior engineer and senior economist.

COMPANY SECRETARY

Mr. ZHANG Wei and Mr. CHEUNG Kai Cheong Willie serve as the joint company secretaries of the Company. Please refer to the biography of Mr. ZHANG Wei under the paragraph headed “– Executive Directors” above.

Mr. CHEUNG Kai Cheong Willie is a senior manager of SWCS Corporate Services Group (Hong Kong) Limited, mainly responsible for assisting listed companies in professional company secretarial work. Prior to joining SWCS, he served as the company secretary and finance controller of certain companies whose shares are listed on the Stock Exchange. He has more than 20 years of professional experiences in company secretarial, accounting and finance matters. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom. He obtained a Bachelor Degree of Arts (Honors) in Accounting and Finance at the University of Glamorgan in the United Kingdom.



Report of the Directors

The Board of Directors of the Company now presents the annual report of the year 2024 (the “**Annual Report**”) and the audited consolidated financial statements of the Group (the “**Financial Statements**”) for the year ended 31 December 2024 to Shareholders.

REGISTERED SHARE CAPITAL

As of 31 December 2024, the total registered share capital of the Company was RMB8,244,508,144, divided into 8,244,508,144 shares of RMB1.00 each, including 5,414,831,344 domestic legal person shares and 2,829,676,800 H Shares. Details of movements in the registered share capital of the Company during the year are set out in note 40 to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares) during the year ended 31 December 2024. As as 31 December 2024, the Company did not hold any treasury shares.

DEBENTURES IN ISSUE

The Company issued debentures in light of the demand of business operation and capital expenditures, as well as the market condition. Details of debentures in issue of the Company for the year ended 31 December 2024 are set out in the subsection “1. Financing” of section “VI. OTHER SIGNIFICANT EVENTS” in “Management Discussion and Analysis”.

FUTURE INVESTMENT PLANS AND EXPECTED FUNDING

Looking forward, the Group will continue to expand its markets at home so as to tap into its internal potential and undertake more quality works, exquisite works and works with high returns, thereby maximizing Shareholders' interest and creating higher value. We will continue to make the Group stronger, better and larger through self-development, acquisitions, M&A and other means. Our future business plan will employ a combination of financing channels to finance capital expenditures, including but not limited to internal funds and bank loans. Currently, the bank credit lines available to the Group are adequate.



Report of the Directors

EQUITY-LINKED AGREEMENT

For the year ended 31 December 2024, the Company did not enter into or have any equity-linked agreement, nor did any equity-linked agreement exist at the end of the year 2024.

PERMITTED INDEMNITY PROVISION

The Company has purchased appropriate liability insurance for its Directors, Supervisors and senior management. The permitted indemnity provisions are set out in such liability insurance. Save as disclosed the above, no permitted indemnity provision was made by the Company for the year ended 31 December 2024 and no permitted indemnity provision was in force as at the date of this Annual Report.

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The controlling shareholder of the Company did not pledge any of its shares in the Company to secure the Company's debts or to secure guarantees of the Company or were held as support for the other liabilities for the year ended 31 December 2024.

CHARGES ON THE GROUP ASSETS

As at 31 December 2024, certain of the Group's bank borrowings were secured by the pledge of the Group's property, plant and equipment of RMB2,241.7 million, trade receivables of RMB2,897.7 million and restricted bank deposits of RMB45.7 million. Details of these are set out in note 45 to the Financial Statements.

LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company did not provide any financial assistance nor guarantee to its affiliated companies for the year ended 31 December 2024, which gives rise to a disclosure under Rule 13.16 of the Listing Rules. The Company did not enter into any loan agreement with covenants relating to specific performance of its controlling shareholder nor breach the terms of any loan agreements for the year ended 31 December 2024.

SHARE SCHEME

The Company did not adopt any share scheme in the year ended 31 December 2024.

PRE-EMPTIVE RIGHTS

Pursuant to the Articles of Association and the laws of the PRC, the Company is not subject to any pre-emptive rights requiring it to propose new issues to its existing shareholders in proportion to their shareholdings.

H SHARE APPRECIATION RIGHTS SCHEME

In order to (i) enhance corporate competitiveness, create common interests, fully utilize the positiveness, proactivity and creativity of outstanding talents and core staff, improve the operational results and core competitiveness of the Company and facilitate the long-term and stable development of the Company; (ii) create favorable news to the capital market, bolster the confidence in the capital market and maintain the market value of the Company; and (iii) effectively build and continue to improve the management structure with clear distinction between powers and responsibilities and efficient decision-making, further optimize the performance-based compensation incentive mechanism, establish a market-based assessment system in line with the developmental needs of the Company, and effectively retain and attract the core staff necessary for the development of the Company, the shareholders of the Company have considered and approved the adoption of the H share appreciation rights scheme (the “**Scheme**”) and the grant under the Scheme (the “**Grant**”) at the extraordinary general meeting held on 2 February 2024. The Scheme was approved by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality on 22 January 2024. On 2 February 2024, the Board announced the satisfaction of the conditions for the Scheme and the Grant, and the first Grant under the Scheme to 113 incentive recipients with a total of 103,062,511 share appreciation rights. After the first Grant, 20,612,489 share appreciation rights under the Scheme have not yet been granted and have been reserved for newly appointed senior management and new talents of the Group (the “**Reserved Grant**”). On 28 May 2024, the Board announced the first Reserved Grant under the Scheme to 14 incentive recipients with a total of 8,886,931 share appreciation rights. On 31 October 2024, the Board announced the second Reserved Grant under the Scheme to 12 incentive recipients with a total of 11,641,589 share appreciation rights. Upon completion of the second Reserved Grant, the remaining 83,969 share appreciation rights under the Reserved Grant under the Scheme shall no longer be further granted and shall be cancelled. For details on the major terms, conditions and each grant of the Scheme, please refer to the announcement dated 12 December 2023, the circular dated 17 January 2024, the poll results announcement dated 2 February 2024 and the inside information announcements dated 2 February 2024, 28 May 2024 and 31 October 2024 of the Company.

PRINCIPLE BUSINESS

The Company is a leading wind power and photovoltaic power operator in China and the largest gas-fired heat and power supplier in Beijing as well as an industry-leading clean energy service provider, and involves in wind power, photovoltaic power, gas-fired power and heat energy generation, small-to-medium-sized hydropower, energy storage and other clean energy generation businesses. All electricity generated is sold to local grid companies. Details of the major subsidiaries and associates of the Company are set out in notes 51 and 21 to the Financial Statements, respectively.



Report of the Directors

RESULTS

The audited results of operations of the Group for the year ended 31 December 2024 are set out in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 96 to 97 of this Annual Report. The financial condition of the Group as of 31 December 2024 is set out in the Consolidated Statement of Financial Position on pages 98 to 100 of this Annual Report. The consolidated cash flow of the Group for the year ended 31 December 2024 is set out in the Consolidated Statement of Cash Flows on pages 104 to 106 of this Annual Report.

Discussion and analysis about the operating performance and significant elements affecting the results of operations and financial condition of the Group during the year are set out in Management Discussion and Analysis of the Annual Report on pages 8 to 25.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided on pages 9 to 13 and pages 14 to 17 of this Annual Report. Description of possible risks and uncertainties that the Group may be facing can be found on page 25 of this Annual Report. An analysis of the Group's performance during the year using financial key performance indicators is provided on pages 17 to 22 of this Annual Report. To the knowledge of the Directors, there has not been any other important event affecting the business of the Group since the end of the financial year.

The Group had no material or major disputes with its suppliers and customers in 2024.

The Group has maintained a satisfactory relationship with the suppliers. The Group gives an annual comprehensive evaluation for suppliers and sets up a warning and no-access mechanism for dishonest suppliers. Besides, the Group implements manufacturing supervision and management for main units, turbine towers and key electrical equipment to guarantee product quality.

The Group has carried out power marketing by continuing to improve power quality, further exploring customers' needs, analyzing and processing customers' feedback in a timely manner, and always adhering to the customer-centric concept. It has attracted and retained more customers by providing fast and thoughtful quality services and has been maintaining a good relationship with its customers. At the same time, the Group has reduced its corporate cost through comprehensive management of business processes.

For the relationship between the Company and the employees, the suppliers and the customers, please refer to the Environmental, Social and Governance Report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

A discussion on the Group's environmental policies and performance has been set forth in the Environmental, Social and Governance Report, which has been published on the website of the Hong Kong Stock Exchange.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements could lead to the termination of operating licenses. The Company has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators effectively through effective communications. During the Reporting Period, the Company has complied, to the best knowledge of Directors, with all relevant rules and regulations that have a significant impact on the Company.

DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The Company will give full consideration to the interests of Shareholders and make the implementation of a reasonable profit distribution policy according to business situation of the Company and market condition. The Company's profit distribution policy shall to the greatest extent maintain continuity and stability, and give priority to cash dividends, with the specific profit-sharing ratio to be passed with a resolution in accordance with relevant laws and regulations at the general meeting.

The Board has the discretion to declare and distribute dividends by way of cash or scrip or by other means that the Board considers appropriate to the Shareholders, which is subject to the approval of the general meeting, the Articles of the Association, all applicable laws and regulations and the factors set out below:

- Financial results;
- Cash flow situation;
- Business conditions and strategies;
- Future operations and earnings;
- Capital requirements and expenditure plans;
- Interests of shareholders;
- Any restrictions on payment of dividends; and
- Any other factors that the Board may consider relevant.

The Board will review the dividend policy as appropriate from time to time.



Report of the Directors

FINAL DIVIDEND

The Board resolved to propose to the shareholders of the Company at the annual general meeting for the year ended 31 December 2024 (the “**AGM**”) to be held on 18 June 2025, for their consideration and approval of the payment of a final dividend of RMB14.30 cents per share (tax inclusive) for the year ended 31 December 2024 (the “**2024 Final Dividends**”) to the Shareholders, whose names are listed in the register of members of the Company on 8 July 2025, in an aggregate amount of approximately RMB1,179.0 million. The 2024 Final Dividends will be denominated and declared in RMB. Dividends on domestic shares will be paid in RMB and dividends on H shares will be paid in Hong Kong dollars. Subject to the passing of the relevant resolution at the AGM, the 2024 Final Dividends are expected to be paid on or around 31 July 2025.

Pursuant to the Enterprise Income Tax Law of the PRC and its implementation rules, which came into force since 1 January 2008 and other relevant rules, where the Company distributes the proposed 2024 Final Dividends to non-resident enterprise shareholders whose names appear on the register of members for H shares of the Company, it is required to withhold enterprise income tax at a rate of 10%. Any H shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organizations or groups, will be treated as shares being held by non-resident enterprise shareholders, and consequently will be subject to the withholding of the enterprise income tax.

Pursuant to the PRC Individual Income Tax Law, the Implementation Regulations of the Individual Income Tax Law and other relevant laws and regulations, the foreign individuals who are the holders of H shares shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividend from domestic enterprises which issued such H shares, which shall be withheld and paid by such domestic enterprises on behalf of such individual H shareholders. However, the Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax effective from 13 May 1994 (the “**1994 Notice**”) grants exemption to foreign individuals from PRC individual income tax on dividend from foreign-invested enterprises. Since the Company has become a “foreign-invested enterprise” since August 2010 as approved by the relevant PRC authorities, the foreign individual shareholders who hold the Company’s H shares and whose names appear on the register of members of H shares of the Company (the “**Foreign Individual H Shareholders**”) are not required to pay PRC individual income tax when the Company distributes the 2024 Final Dividends based on the 1994 Notice. Therefore, the Company will not withhold any amount of the 2024 Final Dividends to be distributed to the Foreign Individual H Shareholders to pay the PRC individual income tax.

Pursuant to the Individual Income Tax Law, the Implementation Regulations of the Individual Income Tax Law and other relevant laws and regulations, the Company will withhold individual income tax at a rate of 20% on dividends on the H shares of the Company received by domestic individuals whose names are registered in the register of members for H shares in Hong Kong.



Report of the Directors

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock



Report of the Directors

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 16 to the Financial Statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in Consolidated Statement of Changes in Equity. The Company's reserves available for distribution to shareholders as at 31 December 2024 represents the retained profits of approximately RMB13,671.7 million (2023: RMB11,996.1 million).

DONATIONS

During the Reporting Period, the Group made external donations of approximately RMB11.6 million (excluding personal donations of employees).

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings and other borrowings of the Group as at 31 December 2024 are set out in note 34 to the Financial Statements.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Part of the information of the Directors, Supervisors and senior management of the Company for the year ended 31 December 2024 and as of the date of this Annual Report is illustrated below.

Name	Title in the Company	Date of Appointment or Re-election
CHEN Dayu ⁽¹⁾	Executive Director and Chairman of the Board	19 February 2021/ 25 April 2024
LI Minghui	Executive Director and general manager	29 August 2023/25 April 2024
ZHANG Wei	Executive Director, deputy general manager, secretary of the Board and joint company secretary	29 August 2023/23 April 2023/ 20 June 2023/20 June 2023
ZHANG Fengyang ⁽²⁾	Executive Director and Chairman of the Board	28 May 2020/ 20 November 2020
ZHOU Jianyu	Non-executive Director	6 September 2022
SONG Zhiyong	Non-executive Director	29 March 2022
ZHANG Yi	Non-executive Director	6 September 2022
ZHAO Jie	Independent non-executive Director	24 June 2021
WANG Hongxin	Independent non-executive Director	29 August 2023
QIN Haiyan	Independent non-executive Director	29 August 2023



Report of the Directors

Save as disclosed above, none of the Directors or Supervisors has entered into a contract of service with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EMOLUMENTS OF DIRECTORS AND SUPERVISORS

Details of the emoluments of the Directors and Supervisors of the Company are set out in note 13 to the Financial Statements. The emoluments of the Directors and Supervisors are determined by the Remuneration and Nomination Committee based on the experience and duties of the Directors and Supervisors.

The emoluments of the executive Directors are paid by the Company for their services provided in relation to the affair management of the Group; no emoluments are paid by the Company to the non-executive Directors; and the emoluments paid by the Company to the independent non-executive Directors are determined based on their experiences and the level of industry peers.

Details of the emoluments of each senior management of the Company (excluding Directors who also hold executive positions) in 2024 are set out below:

	Number of employees in 2024
Nil to HK\$1,000,000	2
HK\$2,000,001 to HK\$2,500,000	2

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS

At the end of the year of 2024 or at any time during the year, there were no transaction, arrangement or contracts of significance to which the Company or any of its subsidiaries was a party, and in which any Director or Supervisor or any entity connected with the Director or Supervisor had a material interest, directly or indirectly.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES



Report of the Directors

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, no Director, Supervisor or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company

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Report of the Directors

Notes:

1. BEH directly held 5,174,447,731 domestic shares of the Company. BDHG, a wholly-owned subsidiary of BEH, directly held 16,035,322 domestic shares of the Company. In accordance with the SFO, BEH was deemed to be interested in 16,035,322 domestic shares held by BDHG. As such, BEH had/was deemed to be interested in an aggregate of 5,190,483,053 domestic shares of the Company.

BSCOMC directly held 224,348,291 domestic shares of the Company. As far as the Company is aware, BEH was wholly-owned by BSCOMC. In accordance with the SFO, BSCOMC had/was deemed to be interested in an aggregate of 5,414,831,344 domestic shares of the Company.

2. Beijing Energy Investment directly held 471,612,800 H Shares of the Company. As far as the Company is aware, Beijing Energy Investment was wholly-owned by BEH, while BEH was wholly-owned by BSCOMC. In accordance with the SFO, BEH and BSCOMC were deemed to be interested in 471,612,800 H Shares held by Beijing Energy Investment.
3. Beijing Enterprises Energy Technology Investment Co., Limited directly held 196,964,000 H Shares of the Company. As far as the Company is aware, Beijing Enterprises Energy Technology Investment Co., Limited was wholly-owned by Beijing Enterprises Holdings Limited. In accordance with the SFO, Beijing Enterprises Holdings Limited was deemed to be interested in 196,964,000 H Shares held by Beijing Enterprises Energy Technology Investment Co., Limited.
4. China Property & Casualty Reinsurance Company Ltd. directly held interests in 196,704,000 H Shares of the Company. China Reinsurance (Group) Corporation held direct interests in 459,332,000 H Shares of the Company. As far as the Company is aware, China Property & Casualty Reinsurance Company Ltd. was wholly-owned by China Reinsurance (Group) Corporation, while 71.56% interests of China Reinsurance (Group) Corporation was owned by Central Huijin Investment Ltd. In accordance with the SFO, China Reinsurance (Group) Corporation and Central Huijin Investment Ltd. were deemed to have interests in 656,036,000 H Shares of the Company.

MANAGEMENT CONTRACT

No contract concerning the management and administration of all or any substantial part of our business was entered into by the Company or existed in 2024.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this Annual Report, at no time during the year had the Company or any of its subsidiaries entered into any contract of significance with the controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

CONNECTED TRANSACTIONS AND CONTINUING

Report of the Directors

Connected transactions under	Connected persons	Annual caps for 2024 (RMB million)	Actual transaction value in 2024 (RMB million)
1. Framework Equipment Maintenance Agreement	BEH	260.0	100.4
2. Framework Service Agreement	BEH	280.0	154.4
– property management services		120.0	99.7
– administration services		160.0	54.7
3. EPC Framework Agreement	BEH	26.5	3.5
4. Framework Heat Sale and Purchase Agreement	BEH	2,351.8	1,808.6
5. Equipment Purchase Framework Agreement	BEH	160.0	–
6. Finance Leasing Framework Agreement (I)	Beijing Jingneng Leasing	1,000.0	–
7. Financial Services Framework Agreement	BEH Finance		
– deposit services		9,500.0	8,547.4
– loan services ^(Note 1)		N/A	N/A
– other financial services		15.0	0.3
8. Property Lease Framework Agreement	BEH	70.1	53.4
9. Finance Leasing Business Framework Agreement	BEH	2,800.0	1,575.5
10. Operation Management Services Framework Agreement	Beijing Jingneng Leasing	27.0	11.0
11. Finance Leasing Framework Agreement (II)	Shenzhen Jingneng Leasing	3,000.0	674.7
12. Financial Assistance Framework Agreement	Shenzhen Jingneng Leasing	6,000.0	–
13. Property Lease Framework Agreement (II)	BEH	40.0	3.9
14. Integrated Energy Supply Services Framework Agreement	BEH	35.0	15.6

Note 1: Given the loan services provided by BEH Finance to the Group are on normal commercial terms which are similar to or more favourable than those offered by independent third parties for comparable services in the PRC, and that no security over the assets of the Group will be granted in respect of such loan services, the loan services are exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.90 of the Listing Rules. As such, no cap has been set for such services.

Continuing Connected Transactions between the Group and BEH and its Associates

BEH, a controlling shareholder of the Company, directly and indirectly held 68.68% of the total issued share capital of the Company as at 31 December 2024. Accordingly, BEH and its associates, including BEH Finance and Beijing Jingneng Leasing, which are subsidiaries of BEH, are connected persons of the Company pursuant to the Listing Rules.

The Company and BEH and its associates entered into several framework agreements in respect of the continuing connected transactions between them, so as to regulate the continuing connected transactions carried out between the parties. Details of such connected transactions are set out below:

Framework Equipment Maintenance Agreement between BEH and the Company

The Company and BEH entered into the Framework Equipment Maintenance Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company's continuous demand for equipment maintenance service, the Company entered into the new Framework Equipment Maintenance Agreement with BEH on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022. As the Framework Equipment Maintenance Agreement entered into on 16 October 2019 expired on 31 December 2022 and due to the continuous demand in maintaining equipment of the Company, on 8 November 2022, the Company and BEH entered into a new Framework Equipment Maintenance Agreement. The term of such new agreement is three years commencing from 1 January 2023 and ending on 31 December 2025. The Company estimates that the proposed annual caps for the new Framework Equipment Maintenance Agreement for each of the three years ending 31 December 2025 is RMB250 million, RMB260 million and RMB270 million, respectively.

Framework Service Agreement between BEH and the Company

The Company and BEH entered into the Framework Service Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company's continuous demand for (i) property management services, including cleaning, security and catering services, and (ii) administration services, the Company entered into the new Framework Service Agreement with BEH on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022. As the Framework Service Agreement entered into on 16 October 2019 expired on 31 December 2022 and due to the Company's continuous demand for property management services and administration services, on 8 November 2022, the Company and BEH entered into the new Framework Service Agreement. The term of such new agreement is three years commencing from 1 January 2023 and ending on 31 December 2025. Taking into account the Company's current business operation needs of property management services and administration services, the Company expects the original annual caps under the Framework Service Agreement to be insufficient. On 5 September 2024, the Board resolved to adjust the original annual caps for such continuing connected transactions under the Framework Service Agreement for each of the two years ending 31 December 2025 from RMB90 million and RMB95 million to RMB120 million and RMB130 million, respectively, for property management services, and from RMB90 million and RMB95 million to RMB160 million for administration services.



Report of the Directors

EPC Framework Agreement between BEH and the Company

The Company and BEH entered into the EPC Framework Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company's continuous demand for energy performance contracting services, the Company entered into the new EPC Framework Agreement with BEH on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022. As the EPC Framework Agreement entered into on 16 October 2019 expired on 31 December 2022 and due to the Company's continuous demand for energy performance contracting services, on 8 November 2022, the Company and BEH entered into the new EPC Framework Agreement. The term of such new agreement is three years commencing from 1 January 2023 and ending on 31 December 2025. The Company estimates that the proposed annual caps for the new EPC Framework Agreement for each of the three years ending 31 December 2025 will all be RMB26.5 million.

Framework Heat Sale and Purchase Agreement between BEH and the Company

The Company and BDHG entered into the Framework Heat Sale Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to BEH and its associates' continuous demand for purchasing heat generated by the Group, the Company and BEH (instead of BDHG) entered into the new Framework Heat Sale Agreement on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022. As the Framework Heat Sale Agreement entered into on 16 October 2019 expired on 31 December 2022 and due to BEH and its associates' continuous demand for purchasing heat generated by the Group, on 8 November 2022, the Company and BEH entered into a new Framework Heat Sale and Purchase Agreement. The term of such new agreement is three years commencing from 1 January 2023 and ending on 31 December 2025. The Company estimates that the proposed annual caps for the new Framework Heat Sale and Purchase Agreement for each of the three years ending 31 December 2025 will all be RMB2,351.8 million. The transactions and annual caps under the new Framework Heat Sale and Purchase Agreement have been approved at the fourth extraordinary general meeting of 2022 of the Company on 29 December 2022.

Equipment Purchase Framework Agreement between BEH and the Company

The Company and BEH entered into the Equipment Purchase Framework Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company's increasing demand for purchasing more equipment, the Company entered into the new Equipment Purchase Framework Agreement with BEH on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022. As the Equipment Purchase Framework Agreement entered into on 16 October 2019 expired on 31 December 2022 and due to the Company's continuous demand for purchasing equipment, on 8 November 2022, the Company and BEH entered into the new Equipment Purchase Framework Agreement. The term of such new agreement is three years commencing from 1 January 2023 and ending on 31 December 2025. The Company estimates that the proposed annual caps for the new Equipment Purchase Framework Agreement for each of the three years ending 31 December 2025 will all be RMB160 million.

No amount was incurred for this transaction in 2024 due to the change in procurement model of the Group.

Finance Lease/Leasing Framework Agreement between the Company and BEH and/or Beijing Jingneng Leasing

To expand its financing channels, the Company entered into the Finance Lease Framework Agreement with Beijing Jingneng Leasing on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. To avoid large amount of capital expenditure for the purchase of the large machinery equipment, the Company entered into the new Finance Lease Framework Agreement with BEH (instead of Beijing Jingneng Leasing) on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022. Considering the business needs of the Company for the direct leasing services under the Finance Lease Framework Agreement, the Company entered into a supplemental finance lease business framework agreement with BEH on 28 September 2021 to revise the original caps under the Finance Lease Framework Agreement of RMB450 million per year to RMB2,000 million for the year ending 31 December 2021 and RMB3,000 million for the year ending 31 December 2022. The supplemental agreement and the revised caps have been approved by the Shareholders on 22 December 2021. As the Finance Lease Framework Agreement entered into between the Company and BEH expired on 31 December 2022, on 8 November 2022, the Company and Beijing Jingneng Leasing (instead of BEH) entered into a new finance leasing framework agreement (the “**Finance Leasing Framework Agreement (I)**”). The term of such new agreement is three years commencing from 1 January 2023 and ending on 31 December 2025. The Company estimates that the proposed annual caps for the Finance Leasing Framework Agreement (I) for each of the three years ending 31 December 2025 will all be RMB1,000 million. The transactions and annual caps under the Finance Leasing Framework Agreement (I) have been approved at the fourth extraordinary general meeting of 2022 of the Company on 29 December 2022.

Financial Services Framework Agreement between BEH Finance and the Company

The Company and BEH Finance entered into the Financial Services Framework Agreement on 25 October 2016. The term of such agreement is three years commencing from 1 January 2017 and ending on 31 December 2019. Due to the expiration of such agreement on 31 December 2019 and the Company’s increasing demand for financial services (deposit services, loan services and other financial services), the Company entered into the new Financial Services Framework Agreement with BEH Finance on 16 October 2019. The term of such new agreement is three years commencing from 1 January 2020 and ending on 31 December 2022. Considering the needs of the Company and the fact that Shenzhen Jingneng Leasing has become a subsidiary of the Company, the original annual cap will not be sufficient. On 27 July 2022, the Company entered into a supplemental agreement with BEH Finance to revise the annual cap for the deposit services for the year ending 31 December 2022 from RMB5,000 million to RMB6,500 million. The supplemental agreement and the revised cap have been approved at the third extraordinary general meeting of 2022 on 6 September 2022. As the Financial Services Framework Agreement entered into on 16 October 2019 and its supplemental agreement expired on 31 December 2022 and due to the increasing demand of the Company for financial services, the Company entered into a new Financial Services Framework Agreement with BEH Finance on 8 November 2022. The term of such new agreement is three years commencing from 1 January 2023 and ending on 31 December 2025. The Company estimates that for each of the three years ending 31 December 2025, the proposed annual caps for the deposit services



Report of the Directors

Property Lease Framework Agreement (II) between BEH and the Company

On 5 September 2024, in the ordinary and usual course of business, the Company and BEH entered into the Property Lease Framework Agreement (II), pursuant to which the Company has agreed to lease properties to BEH and/or its associates. The Property Lease Framework Agreement (II) shall come into effect upon signing by the legal representatives or authorized representatives of the Company and BEH (i.e. on 5 September 2024) and shall expire on 31 December 2025. The Company estimates that the proposed annual caps for the Property Lease Framework Agreement (II) for each of the two years ending 31 December 2025 will all be RMB40.0 million.

Integrated Energy Supply Framework Agreement between BEH and the Company

On 5 September 2024, in the ordinary and usual course of business, the Company and BEH entered into the Integrated Energy Supply Framework Agreement, pursuant to which the Group has agreed to provide and BEH and/or its associates have agreed to purchase various energy (including cooling, heating, electricity and water) from the Group. The Integrated Energy Supply Framework Agreement shall come into effect upon signing by the legal representatives or authorized representatives of the Company and BEH (i.e. on 5 September 2024) and shall expire on 31 December 2025. The Company estimates that the proposed annual caps for the Integrated Energy Supply Framework Agreement for each of the two years ending 31 December 2025 will be RMB35.0 million and RMB65.0 million, respectively.

Continuing Connected Transactions between Shenzhen Jingneng Leasing and BEH and/or its Associates

Shenzhen Jingneng Leasing

On 20 June 2022, the acquisition of 84.68% equity interest in Shenzhen Jingneng Leasing (the “**Shenzhen Jingneng Leasing Equity Acquisition**”) was considered and approved by the Shareholders at the general meeting of the Company. Upon completion of the Shenzhen Jingneng Leasing Equity Acquisition, Shenzhen Jingneng Leasing has become a non-wholly owned subsidiary of the Company. As at 31 December 2024, Shenzhen Jingneng Leasing was directly held as to approximately 84.68% equity interest by the Company and as to approximately 15.32% equity interest by Beijing Energy Investment, a wholly-owned subsidiary of BEH. According to Rule 14A.16(1) of the Listing Rules, Shenzhen Jingneng Leasing is a connected subsidiary of the Company.

BEH and its Associates

BEH is the controlling shareholder of the Company.

Beijing Jingneng Leasing and Beijing Jingneng Construction Group Co., Ltd. (北京京能建設集團有限公司) (“**Beijing Jingneng Construction**”) are wholly owned by BEH.

Beijing Energy International Holding Co., Ltd. (“**Beijing Energy International**”) is owned as to 32% by Beijing Energy Investment, a wholly-owned subsidiary of BEH.

Report of the Directors

Inner Mongolia Jingtai Power Co., Ltd. (內蒙古京泰發電有限責任公司) (“**Inner Mongolia Jingtai**”), Ningxia Jingneng Ningdong Electric Power Co., Ltd. (寧夏京能寧東發電有限責任公司) (“**Ningxia Jingneng Ningdong**”), Inner Mongolia Jingneng Kangbashi Thermal Power Co., Ltd. (內蒙古京能康巴什熱電有限責任公司) (“**Inner Mongolia Jingneng Kangbashi**”), Shanxi Jingyu Power Generation Co., Ltd. (山西京玉發電有限責任公司) (“**Shanxi Jingyu**”), Huzhou Yuanxing Energy Co., Ltd. (湖州源興能源有限公司) (“**Huzhou Yuanxing**”), Shanxi Jingneng Lvlin Power Generation Co., Ltd. (山西京能呂臨發電有限公司) (“**Shanxi Jingneng Lvlin**”), Langfang Huayuan Shengshi Heating Co., Ltd. (廊坊市華源盛世熱力有限公司) (“**Langfang Huayuan Shengshi**”), Inner Mongolia Jingneng Shuangxin Power Generation Co., Ltd. (內蒙古京能雙欣發電有限公司) (“**Inner Mongolia Jingneng Shuangxin**”), Jiangxi Yichun Jingneng Thermal Power Co., Ltd. (江西宜春京能熱電有限責任公司) (“**Jiangxi Yichun Jingneng**”), Jingneng Yuanshen (Jiaxing) Energy Technology Co., Ltd. (京能源深(嘉興)能源科技有限公司) (“**Yuanshen Jiaxing**”), Huzhou Yuanxun Energy Technology Co., Ltd. (湖州源濤能源科技有限公司) (“**Huzhou Yuanxun**”), Ningxia Hongdunzi Coal Co., Ltd. (寧夏紅墩子煤業有限公司) (“**Ningxia Hongdunzi**”) and Jingneng Xilin Guole Energy Co., Ltd. (京能錫林郭勒能源有限公司) (“**Jingneng Energy**”) are indirect non-wholly owned subsidiaries of BEH.

Inner Mongolia Daidian Real Estate Development Co., Ltd. (內蒙古岱電房地產開發有限公司) (“**Inner Mongolia Daidian**”), Jingneng Power



Report of the Directors

Tianjin HNA East Coast Development Co., Ltd. (天津海航東海岸發展有限公司) (“**Tianjin HNA East Coast**”) is a non-wholly owned subsidiary of Beh-Property Co., Ltd., a 30%-controlled company of BEH.

Jingneng (Jiaxing Xiuzhou) New Energy Co., Ltd. (京能(嘉興秀洲)新能源有限公司) (“**Jingneng Jiaxing**”) and Chaling Jingneng New Energy Co., Ltd. (茶陵京能新能源有限公司) (“**Chaling Jingneng**”) are wholly owned by BEI Energy Development (Beijing) Co., Ltd. (京能國際能源發展(北京)有限公司) (formerly known as Beijing Lianhe Rongbang New Energy Technology Co., Ltd. (北京聯合榮邦新能源科技有限公司)), an indirect wholly-owned subsidiary of Beijing Energy International.

Jiayan (Beijing) New Energy Co., Ltd. (嘉燕北京)新能源有限公司) (“**Jiayan Beijing**”) is owned as to 95% by Beijing Jingneng International Integrated Smart Energy Co., Ltd. (北京京能國際綜合智慧能源有限公司), an indirect wholly-owned subsidiary of Beijing Energy International.

According to the Listing Rules, BEH and its associates are connected persons of the Company.

Shenzhen Jingneng Leasing and BEH and its associates entered into the following agreements in respect of the continuing connected transactions between them, so as to regulate the continuing connected transactions carried out between the parties. Details of such connected transactions are set out below:

Continuing Connected Transactions pursuant to Rule 14A.60 of the Listing Rules

Prior to completion of the Shenzhen Jingneng Leasing Equity Acquisition, Shenzhen Jingneng Leasing had provided sale and leaseback services, direct finance leasing services and factoring services to associates of BEH, the controlling shareholder of the Company, and entered into relevant agreements with them. In addition, Beijing Jingneng Leasing, a wholly-owned subsidiary of BEH, had entered into the operation



Report of the Directors

(1) *Sales and Leaseback Agreement*

Prior to completion of the Shenzhen Jingneng Leasing Equity Acquisition, Shenzhen Jingneng Leasing has entered into 20 sales and leaseback agreements with BEH's associates, including the sales and leaseback agreements entered into with Inner Mongolia Jingtai, Ningxia Jingneng Ningdong, Inner Mongolia Jingneng Kangbashi and Shanxi Jingyu on 25 April 2016 respectively; the sales and leaseback agreements entered into with Huzhou Yuanxing on 11 February 2018 and 28 January 2019; the sales and leaseback agreement entered into with Inner Mongolia Daidian on 12 September 2019; the sales and leaseback agreements entered into with Yongsheng Huiguang and Yongren Huiguang on 17 August 2020 respectively; the sales and leaseback agreement entered into with Shanxi Jingneng Lvlin on 8 November 2020; the sales and leaseback agreements entered into with Baotou Shenghua on 25 April 2021 and 7 May 2021; the sales and leaseback agreement entered into with Jingneng Power Zhuozhou on 26 April 2021; the sales and leaseback agreements entered into with Langfang Huayuan Shengshi on 28 April 2021, 20 October 2021 and 27 December 2021; the sales and leaseback agreement entered into with Beijing Jingneng Construction on 26 May 2021; the sales and leaseback agreement entered into with Inner Mongolia Jingneng Shuangxin on 20 July 2021; the sales and leaseback agreement entered into with Tianjin HNA East Coast on 17 September 2021; and the sales and leaseback agreement entered into with Jiangxi Yichun Jingneng on 17 June 2022.

Pursuant to the above sales and leaseback agreements, Shenzhen Jingneng Leasing purchased the leased assets from BEH's associates and then leased the same back to such BEH's associates for an agreed term and receive lease payment on a periodic basis. Please refer to the announcement of the Company dated 20 June 2022 for details of the sales and leaseback agreements.

For the aforesaid sales and leaseback agreements, except the sales and leaseback agreements with Langfang Huayuan Shengshi, Jingneng Power Zhuozhou and Inner Mongolia Jingneng Shuangxin which remained unchanged, other agreements have been settled early or subject to interest rate adjustments pursuant to the finance leasing framework agreement.

(2) *Direct Finance Leasing Agreements*

Prior to completion of the Shenzhen Jingneng Leasing Equity Acquisition, Shenzhen Jingneng Leasing has entered into 22 direct finance leasing agreements with BEH's associates, including the direct finance leasing agreement entered into with Yuanshen Taizhou on 12 May 2017; the direct finance leasing agreements entered into with Yuanshen Jiaxing on 25 May 2017, 29 January 2018 and 22 September 2021; the direct finance leasing agreement entered into with Huzhou Yuanxing on 13 June 2017; the direct finance leasing agreement entered into with Huzhou Yuanxun on 13 June 2017; the direct finance leasing agreement entered into with Yuanshen Suzhou on 21 December 2017; the direct finance leasing agreement entered into with Tongxiang Nanxun on 27 May 2020; the direct finance leasing agreement entered into with Tongxiang Nanhu on 5 June 2020; the direct finance leasing agreements entered into with Tongxiang Ningbo, Tongxiang Pinghu and Tongxiang Shaoxing on 4 June 2020 respectively; the two direct finance leasing agreements entered into with Ningxia Hongdunzi on 22 November 2021; the direct finance leasing agreement entered into with Yuanshen Suzhou on 18 November 2021; the direct finance leasing agreement entered into with Jingneng Jiaxing on 20 December 2021; the four direct finance leasing agreements entered into with Jingneng Energy on 14 September, 15 September and 16 September 2021; the direct finance leasing agreement entered into with Chaling Jingneng on 23 March 2022; and the direct finance leasing agreement entered into with Jiayan Beijing on 11 May 2022.

Under the direct finance leasing agreements, Shenzhen Jingneng Leasing purchased the leased assets from the relevant suppliers upon the instructions of associates of BEH, and then leased such assets to BEH's associates for an agreed term and received lease payment on a periodic basis. The lease term generally commences from the delivery of all equipment under a direct finance leasing agreement by supplier(s) to BEH's associates. Shenzhen Jingneng Leasing may charge interest from the associates of BEH for any purchase price paid by it to the relevant supplier(s) before the commencement of the lease term. Please refer to the announcement of the Company dated 20 June 2022 and the further announcement dated 15 July 2022 for details of the direct finance leasing agreements.

The aforesaid direct finance leasing agreements have been settled early or subject to interest rate adjustment pursuant to the finance leasing business framework agreement.



Report of the Directors

(3) *Operation Management Service Agreements and Framework Agreements between Shenzhen Jingneng Leasing and Beijing Jingneng Leasing*

On 28 December 2021, Shenzhen Jingneng Leasing entered into an operation management service agreement with Beijing Jingneng Leasing, pursuant to which, Beijing Jingneng Leasing has agreed to provide operation management services to Shenzhen Jingneng Leasing. The term of such agreement is one year from 1 January 2022 to 31 December 2022. On 24 April 2022, Shenzhen Jingneng Leasing and Beijing Jingneng Leasing entered into a supplemental agreement to the operation management service agreement to adjust the payment terms of the operation management service agreement. As the operation management service agreement shall expire on 31 December 2022, on 8 November 2022, Shenzhen Jingneng Leasing entered into an operation management service framework agreement with Beijing Jingneng Leasing, pursuant to which, Beijing Jingneng Leasing has agreed to provide operation management services to Shenzhen Jingneng Leasing. The term of this agreement is three years from 1 January 2023 to 31 December 2025. The Company estimates that the proposed annual caps for the operation management service framework agreement for each of the three years ending 31 December 2025 are RMB21 million, RMB27 million, and RMB33 million, respectively.

Continuing Connected Transactions between the Company and Shenzhen Jingneng Leasing

Shenzhen Jingneng Leasing and the Company have entered into the following framework agreements to regulate the continuing connected transactions between the parties. Details of these connected transactions are set out below:

Finance Leasing Framework Agreement (II) between the Company and Shenzhen Jingneng Leasing

The Company and Shenzhen Jingneng Leasing entered into the Finance Leasing Framework Agreement (II) on 8 November 2022, pursuant to which Shenzhen Jingneng Leasing has agreed to provide finance leasing services to the Group. The term of the agreement is three years commencing from 1 January 2023 and ending on 31 December 2025. The entering into of the Finance Leasing Framework Agreement (II) and the engagement of finance leasing business will help to expand financing channels and innovate financing approaches, so as to mitigate the financing risks of the Company's future construction projects and reduce financing costs, providing timely supply of funds to satisfy the capital requirements of the construction projects. The Company estimates that the proposed annual cap for the Finance Leasing Framework Agreement (II) for each of the three years ending 31 December 2025 will all be RMB3,000 million. The transactions and annual caps under the agreement have been approved at the fourth extraordinary general meeting of 2022 of the Company on 29 December 2022.

Financial Assistance Framework Agreement between the Company and Shenzhen Jingneng Leasing

On 8 November 2022, the Company entered into the Financial Assistance Framework Agreement with Shenzhen Jingneng Leasing, pursuant to which the Company agreed to provide loan services and guarantee services to Shenzhen Jingneng Leasing. The term of the agreement is three years commencing from 1 January 2023 and ending on 31 December 2025. The Company estimates that the proposed annual caps for the Financial Assistance Framework Agreement for each of the three years ending 31 December 2025 are RMB4,000 million, RMB6,000 million and RMB7,500 million, respectively. The transactions and annual caps under the agreement have been approved at the fourth extraordinary general meeting of 2022 of the Company on 29 December 2022.

Continuing Connected Transactions between the Group and Beijing Jingneng Clean Energy (Australia) Holding Pty Ltd

On 20 August 2024, Beijing Jingneng Clean Energy (Hong Kong) Co., Limited (“**BJCE HK**”), a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Beijing Energy International (Australia) Holding Pty Ltd (“**BJEI Australia**”), pursuant to which, BJCE HK has agreed to sell and BJEI Australia has agreed to purchase 40% equity interest in Beijing Jingneng Clean Energy (Australia) Holding Pty Ltd (“**BJCE Australia**”). On 30 September 2024, the above equity transfer has been considered and approved at the general meeting of the Company. Upon the completion of the above equity transfer, BJCE Australia was held as to 60% and 40% by BJCE HK and BJEI Australia, respectively. BJEI Australia is a wholly-owned subsidiary of Beijing Energy International, which is owned as to approximately 32.64% by Beijing Energy Investment, a wholly-owned subsidiary of BEH. Accordingly, BJCE Australia is a connected subsidiary of the Company under Rule 14A.16(1) of the Listing Rules.

Continuing Connected Transactions pursuant to Rule 14A.60 of the Listing Rules

Prior to completion of the above equity transfer, BJCE Australia and BJCE HK entered into five loan agreements, pursuant to which, BJCE HK provided loans to BJCE Australia as its working capital. In addition, Newtricity Developments Biala Pty Ltd (as the borrower), a wholly-owned subsidiary of BJCE Australia, entered into a facility agreement with The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) and The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch on 17 September 2018 in relation to the financing of the Biala Wind Farm, and China Export & Credit Insurance Corporation (“**Sinosure**”), as the guarantor under the facility agreement, provided a guarantee to HSBC. The Company entered into a counter-guarantee agreement with Sinosure to provide counter-guarantee protection to Sinosure for its provision of the guarantee. For details of the loan agreements and the counter-guarantee agreement, please refer to the announcement of the Company dated 10 October 2024.



Report of the Directors

Connected Transactions between the Group and BEH and/or its Associates

Construction General Contracting Agreement between Beijing Shangzhuang Gas-fired Thermal Power Co., Ltd. and Beijing Jingneng Construction

On 16 December 2023, Beijing Shangzhuang Gas-fired Thermal Power Co., Ltd. (“**Shangzhuang Power**”), a subsidiary of the Company, entered into the construction general contracting agreement (the “**Construction General Contracting Agreement**”) with Beijing Jingneng Construction, pursuant to which, Shangzhuang Power engaged Beijing Jingneng Construction to provide construction general contracting services regarding the construction of integrated energy supervision and control center and refrigeration station project. Pursuant to the Construction General Contracting Agreement, the total fees charged by Beijing Jingneng Construction to Shangzhuang Power shall be approximately RMB168.9 million (tax inclusive) including but not limited to project construction fee, safe and civilized construction fee of approximately RMB4.65 million, professional engineering fee of approximately RMB21.65 million and provisional amount of approximately RMB18.35 million. Shangzhuang Power initiated open tender for selecting the construction general contracting service providers and Beijing Jingneng Construction finally won the bid.

BEH is the controlling shareholder of the Company. Beijing Jingneng Construction, as a wholly-owned subsidiary of BEH, is an associate of BEH and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction under the Construction General Contracting Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the transaction under the Construction General Contracting Agreement exceeds 0.1% but is less than 5%, the transaction under the Construction General Contracting Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

For details, please refer to the announcement of the Company dated 22 March 2024.

Construction Agreements between Shantou Jingneng Clean Energy Co., Ltd. and Beijing Jingneng Construction

On 3 March 2024, Shantou Jingneng Clean Energy Co., Ltd. (“**Shantou Jingneng**”), a wholly-owned subsidiary of the Company, entered into the construction agreement (the “**Construction Agreement**”) with Beijing Jingneng Construction, pursuant to which, Shantou Jingneng engaged Beijing Jingneng Construction to provide construction services regarding the construction of the main body of the bearing manufacturing plant. Pursuant to the Construction Agreement, the total fees charged by Beijing Jingneng Construction to Shantou Jingneng shall be approximately RMB94.9 million (tax inclusive) including but not limited to project construction fee, safe and civilized construction fee of approximately RMB2.42 million and provisional amount of RMB6.00 million. The contract price is the successful bid price submitted by Beijing Jingneng Construction in the open tender for the provision of services under the Construction Agreement.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. Therefore, as the counterparties to the Construction General Contracting Agreement entered into between Shangzhuang Power and Beijing Jingneng Construction on 16 December 2023 and the Construction Agreement entered into between Shantou Jingneng and Beijing Jingneng Construction on 3 March 2024 are the same and such transactions are similar in nature, the transactions under the Construction General Contracting Agreement and the Construction Agreement shall be aggregated. As the highest applicable percentage ratio in respect of the transaction under the Construction Agreement (on an aggregated basis together with the transaction under the Construction General Contracting Agreement) exceeds 0.1% but is less than 5%, the transaction under the Construction Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On 28 May 2024, Shantou Jingneng entered into the construction agreement II (the “**Construction Agreement II**”) with Beijing Jingneng Construction, pursuant to which, Shantou Jingneng engaged Beijing Jingneng Construction to provide construction services regarding the main body of the blade manufacturing plants and relevant ancillary buildings. Shantou Jingneng initiated open tender for selecting the construction service providers and Beijing Jingneng Construction finally won the bid. Pursuant to the Construction Agreement II, the total fee charged by Beijing Jingneng Construction to Shantou Jingneng shall be approximately RMB294.5 million (tax inclusive) including but not limited to project construction fee, safe and civilized construction fee of approximately RMB8.22 million and provisional amount of approximately RMB15.00 million.

As the counterparties to the Construction General Contracting Agreement entered into between Shangzhuang Power and Beijing Jingneng Construction on 16 December 2023 and the Construction Agreement and the Construction Agreement II entered into between Shantou Jingneng and Beijing Jingneng Construction on 3 March 2024 and 28 May 2024, respectively, are the same and such transactions are similar in nature, the transactions under the Construction Agreement II, the Construction General Contracting Agreement and the Construction Agreement shall be aggregated. As the highest applicable percentage ratio in respect of the transaction under the Construction Agreement II (on an aggregated basis together with the transaction under the Construction General Contracting Agreement and the transaction under the Construction Agreement) exceeds 0.1% but is less than 5%, the transaction under the Construction Agreement II is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

For details, please refer to the announcements of the Company dated 22 March 2024 and 28 May 2024.



Report of the Directors

Supplementary Construction Agreement between Shangzhuang Power and Beijing Jingneng Construction

On 30 August 2024, Shangzhuang Power entered into the supplementary construction agreement (the “**Supplementary Construction Agreement**”) with Beijing Jingneng Construction, pursuant to which, Shangzhuang Power engaged Beijing Jingneng Construction to provide additional construction services for the expansion project of the integrated energy supervision and control center and refrigeration station project, which mainly involve the expansion of the second and third floors of the main body and ancillary electricity and refrigeration facilities. Pursuant to the Supplementary Construction Agreement, the total fee charged by Beijing Jingneng Construction to Shangzhuang Power shall be approximately RMB84.3 million (tax inclusive) including but not limited to project construction fee of approximately RMB52.1 million, safe and civilized construction fee of approximately RMB2.0 million, professional engineering fee of approximately RMB3.4 million, and provisional amount of approximately RMB17.3 million.

The transaction contemplated under the Supplementary Construction Agreement shall be aggregated with the transactions under the Construction General Contracting Agreement, the Construction Agreement and the Construction Agreement II. As the highest applicable percentage ratio in respect of the transaction under the Supplementary Construction Agreement (on an aggregated basis together with the transaction under the Construction General Contracting Agreement, the transaction under the Construction Agreement and the transaction under the Construction Agreement II) exceeds 0.1% but is less than 5%, the transaction under the Supplementary Construction Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 30 August 2024.

Equity Sale and Purchase Agreement between BJCE HK and BJEI Australia

On 20 August 2024, BJCE HK entered into the Sale and Purchase Agreement with BJEI Australia, pursuant to which, BJCE HK has agreed to sell and BJEI Australia has agreed to purchase 40% equity interest in BJCE Australia at a consideration consisting of the completion amount of approximately AUD183.0 million and the adjustment amount of approximately AUD6.6 million.

BEH is the controlling shareholder of the Company. BJEI Australia, a wholly-owned subsidiary of Beijing Energy International, which is owned as to approximately 32.64% by Beijing Energy Investment, a wholly-owned subsidiary of BEH, is an associate of BEH and therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Sale and Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the transaction contemplated under the Sale and Purchase Agreement exceeds 5%, the transaction is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Sale and Purchase Agreement and the transactions contemplated thereunder have been approved at the second extraordinary general meeting of the Company of 2024 on 30 September 2024. For details, please refer to the announcements of the Company dated 20 August 2024 and 10 September 2024, the circular of the Company dated 12 September 2024, and the announcement on poll results of extraordinary general meeting dated 30 September 2024.



Report of the Directors

Note 47 to the Financial Statements disclosed the related party transactions. Pursuant to the Listing Rules, notes 47(d)(i) to 47(d)(x) constitute continuing connected transactions between the Group and BEH and its associates as disclosed above. The Company has complied with the disclosure requirements governing connected transactions under the Listing Rules.

Review and Confirmation

The independent non-executive Directors of the Company have reviewed the above continuing connected transactions, and confirmed that such transactions were:

- (1) carried out in the ordinary and usual course of business of the Group;
- (2) made on normal commercial terms; and
- (3) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of our Company's shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company must engage its auditor to report on the continuing connected transaction every year. The auditor must provide a letter to the Company's Board confirming 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 of Directors;
- (ii) were not, in all material aspects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the 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.

Confirmation of the Auditor

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board confirmed that the auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions related to those transacted in the year of 2024 disclosed by the Group on pages 51 to 66 in accordance with Rule 14A.56 of the Listing Rules.

The Directors confirmed that the Company has complied with the requirements under Chapter 14A of the Listing Rules with regard to the abovementioned connected transactions.



Report of the Directors

COMPLIANCE WITH THE NON-COMPETITION AGREEMENT

The Company and BEH entered into a Non-Competition Agreement and a Supplemental Non-Competition Agreement on 13 June 2011 and 2 December 2011 respectively, under which, BEH agrees that it will not (and it will procure that its subsidiaries (other than listed subsidiaries) will not) compete with the Company in the gas-fired power and heat energy generation business, wind power business, hydro-power business and other clean energy generation business (the “core business” of the Company) that and will grant the Company options for new business opportunities and acquisitions, as well as pre-emptive rights. The independent non-executive Directors of the Company are responsible for approving, considering and deciding on the acceptance of new business opportunities introduced by BEH and/or its subsidiaries.

During the year, the Company’s independent non-executive Directors have reviewed the implementation of the Non-Competition Agreement and confirmed that BEH has fully observed the Agreement without any case of violation.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, the total volume of purchases from the five largest suppliers of the Company accounted for 64% of the total purchase volume of the year. The purchase from the largest supplier accounted for 55% of the total volume of purchases of the year.

For the year ended 31 December 2024, the total revenue generated from the five largest customers of the Company accounted for 98% of the total revenue of the year. The revenue generated from the largest customer accounted for 83% of the total revenue of the year.

During the year, statistics were made on the sales to the prefectural-level power grid companies as the same customer (of which the parent company is either State Grid Corporation of China or China Southern Power Grid Company Limited).

During the year, to the knowledge of the Directors, none of the Directors, their close associates, or Shareholders of the Company (which, to the knowledge of the Directors, owned more than 5% equity interest of the Company’s share capital) had interests in the five largest suppliers or customers of the Company.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Please refer to note 46 to the Financial Statements for detailed information on the retirement and employee benefits scheme.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Company always strives to maintain a high level of corporate governance and complied with all code provisions as set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules for the year ended 31 December 2024.

RELATIONSHIP WITH STAKEHOLDERS

The Company recognises that our employees, customers and business associates are keys to our sustainability journey. We strive to achieve corporate sustainability through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting our community.

The Company places significant emphasis on human resources. The Company provides a fair workplace,



Report of the Directors

SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2024, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's 2024 annual results and the financial statements for the year ended 31 December 2024 were prepared in accordance with the International Financial Reporting Standards ("IFRSs").

AUDITORS

Deloitte Touche Tohmatsu and Baker Tilly International Certified Public Accountants (Special General Partnership) were appointed as the international and domestic auditors of the Company, respectively, for the year ended 31 December 2024. The Company's Financial Statements for the year 2024 prepared in accordance with IFRSs have been audited by Deloitte Touche Tohmatsu. Deloitte Touche Tohmatsu has been the auditor of the Company for the past thirteen years.

FINANCIAL HIGHLIGHTS

Summary of results of operation and the assets and liabilities of the Group for the last five financial years is set out on pages 2 to 4 in the Annual Report.

MISCELLANEOUS

The Company was not aware that any Shareholders had waived or agreed to waive any dividend arrangement for the year ended 31 December 2024.

By order of the Board
Beijing Jingneng Clean Energy Co., Limited
Mr. CHEN Dayu
Chairman of the Board

Beijing, the PRC
24 March 2025

Report of the Board of Supervisors

In 2024, all members of the Board of Supervisors of Beijing Jingneng Clean Energy Co., Limited (hereinafter referred to as the “Company”) complied strictly with the relevant provisions of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Articles of Association, and the Listing Rules of the Hong Kong Stock Exchange. With the strong support and close cooperation of the CPC Committee, the Board and the Shareholders of the Company, the Board of Supervisors strictly followed the Rules of Procedure for the Board of Supervisors, diligently performed its supervisory duties, put more efforts into supervision of the Company’s operations and management, carefully reviewed the Company’s financial reports, and exercised supervision over the legal compliance and rationality of the Directors and senior management of the Company for performing their duties, which effectively safeguarded the legal interests of Shareholders, the Company and its employees. The main works of the Board of Supervisors during the Reporting Period are as follows:

I. WORK OF THE BOARD OF SUPERVISORS IN 2024

(i) Meetings of the Board of Supervisors held

In 2024, the Board of Supervisors of the Company held five meetings, and the convening of the meetings, the signing of the proposals and the exercise of Supervisors’ rights were in compliance with the relevant provisions of the Company Law, the Articles of Association and the Rules of Procedure for the Board of Supervisors.

The 2024 first meeting of the fifth session of the Board of Supervisors was held on 19 January 2024 by correspondence, at which the “Proposal on Reviewing the Results Announced for the Incentive Targets of the Share Appreciation Rights Scheme” was considered and approved.

The 2024 second meeting of the fifth session of the Board of Supervisors was held on 26 March 2024 at No. 802 Meeting Room of the Company, at which the “Proposal on the 2023 Work Report of the Board of Supervisors”, the “Proposal on the Audited Financial Report for 2023 (Prepared in accordance with the IFRS)”, the “Proposal on the Audited Financial Report for 2023 (Prepared in accordance with the China Accounting Standards for Business Enterprises)”, the “Proposal on the Profit Distribution Scheme for 2023”, the “Proposal on 2023 Environmental, Social and Governance Report”, the “Proposal on 2023 Annual Report and Annual Results Announcement”, the “Proposal on Financial Budget (International Standards) Report for 2024” and the “Proposal on the Amendments of the Rules of Procedure for the Board of Supervisors” were considered and approved.

The 2024 third meeting of the fifth session of the Board of Supervisors was held on 27 May 2024 by correspondence, at which the “Proposal on the List of the Second Batch of Incentive Targets and the Results Announced for the Share Appreciation Rights Scheme” was considered and approved.

The 2024 fourth meeting of the fifth session of the Board of Supervisors was held on 29 August 2024 at No. 802 Meeting Room of the Company, at which the “Proposal on the Interim Financial Report for 2024 (Prepared in accordance with the IFRS)”, the “Proposal on Changes in Accounting Estimates” and the “Proposal on the Interim Results Announcement and Report for 2024” were considered and approved.



Report of the Board of Supervisors

The 2024 fifth meeting of the fifth session of the Board of Supervisors was held on 29 October 2024 by correspondence, at which the “Proposal on Election of Mr. SUN Li as the Chairman of the Fifth Session of the Board of Supervisors”, the “Proposal on the Nomination of Mr. LIU Guoli as a Candidate for Shareholder Representative Supervisor in the Fifth Session of the Board of Supervisors”, the “Proposal on the List of the Third Batch of Incentive Targets and the Results Announced for the Share Appreciation Rights Scheme” and the “Proposal on Convening the Third Extraordinary General Meeting for 2024” were considered and approved.

(ii) Attendance at Board meetings

In 2024, the Board of Supervisors attended all meetings held by the Board of the Company. At each meeting, the Board of Supervisors put forward relevant opinions and suggestions according to the agenda and supervisory responsibilities, and supervised the procedures and voting results of the meetings according to laws, to ensure that the meetings were carried out in an orderly manner according to laws.

(iii) Trainings for Supervisors

In August 2024, the Supervisors of the Company participated in a special environmental, social and governance (ESG) training to get a better understanding of the development background and trends of ESG, the latest regulatory requirements, the connection between ESG and the capital market, and the future direction for ESG improvement of the Company.

In November 2024, the Supervisors of the Company participated in the “Training to Improve the Performance of Directors and Supervisors of State-Owned Enterprises” to further master the basic requirements for the performance of supervisors’ duties, key points in the review and decision-making of key matters, and risk prevention and control.

II. SUPERVISION OF THE BOARD OF SUPERVISORS ON RELEVANT MATTERS IN 2024

During the Reporting Period, the Board of Supervisors of the Company conscientiously performed various supervisory duties and actively carried out work in accordance with the Company law, the Articles of Association and the Rules of Procedure for the Board of Supervisors. The Board of Supervisors conducted a series of supervisory and auditing activities on the Company’s standardized operation, financial status, major events, connected transactions, information disclosure and the implementation of proposals of the general meeting. The Board of Supervisors expressed the following supervisory opinions on the following matters:



Report of the Board of Supervisors

(i) Inspection on whether the Company was in lawful operation

Through their presence at Board meetings of the Company in 2024, the members of the Board of Supervisors had reviewed the proposals submitted to the Board for approval, including the Work Report of the General Manager, the Work Report of the Board, the Audited Financial Report (Prepared in accordance with the IFRS), the Financial Budget Report and relevant



Report of the Board of Supervisors

(iv) Inspection on the Company's information disclosure

The Board of Supervisors reviewed the relevant documents in relation to the announcements and disclosures made by the Company, and was of the view that the Company had disclosed lawfully, timely and fully the relevant information according to the rules of the Hong Kong Stock Exchange. No false information was found.

(v) Inspection on the Company's implementation of the resolutions passed in general meetings

The Board of Supervisors had no objection to the various reports and resolutions submitted to the general meetings for approval during the Reporting Period, and the Board had faithfully implemented each resolution passed in the general meetings.

III. WORK ARRANGEMENT OF THE BOARD OF SUPERVISORS FOR 2025

In 2025, the Board of Supervisors will fully fulfill its supervisory duties, comply strictly with the relevant provisions of the Company Law, the Articles of Association, the Rules of Procedure for the Board of Supervisors and the Listing Rules of the Hong Kong Stock Exchange, abide by the principle of good faith, and impose effective supervision on the Company and its Directors and senior management; pay close attention on the production, operations and management of the Company and monitor the significant measures of the Company, so as to promote the growth of the Company's economic benefits and safeguard the interests of all Shareholders and of the Company.



CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, clarify primary duties and responsibilities and enhance corporate value.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

In the opinion of the Directors, during the year ended 31 December 2024, the Company has complied with all the code provisions as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and Supervisors of the Company. All the Directors and Supervisors have confirmed that they have complied with the Model Code during the year ended 31 December 2024.

The Company has also established written guidelines no less exacting than the Model Code (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

During the year ended 31 December 2024, no incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.



Corporate Governance Report

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

The Board currently comprises 10 members, consisting of 3 executive Directors, 3 non-executive Directors and 4 independent non-executive Directors.

The Board of the Company comprises the following Directors:

Executive Directors

CHEN Dayu (*Chairman*)
LI Minghui (*General Manager*)
ZHANG Wei

Non-executive Directors

ZHOU Jianyu
SONG Zhiyong
ZHANG Yi

Independent Non-executive Directors

ZHAO Jie
WANG Hongxin
QIN Haiyan
HU Zhiying

The biographical information of the Directors are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" on pages 28 to 38 of this Annual Report.

None of the members of the Board is related to one another.

Chairman and General Manager

The Chairman of the Board is Mr. CHEN Dayu and the General Manager of the Company is Mr. LI Minghui. The positions of the Chairman of the Board and the General Manager are held by separate persons in order to preserve independence and a balance of views and judgment. The Chairman of the Board provides leadership to the Company and the Board and is responsible for the effective functioning and leadership of the Board in accordance with good corporate governance practice. The General Manager focuses on implementing objectives, policies and strategies approved and delegated by the Board.



Corporate Governance Report

Independent non-executive Directors

During the year ended 31 December 2024, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

Directors' Re-election

Code provision B.2.2 of the part two of the CG Code also specifies that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.



Corporate Governance Report

The Company has established mechanism to ensure provision of independent views and advices to the Board. The Company ensures that the Board has access to independent views and advices through the following mechanism: the Remuneration and Nomination Committee will conduct annual review on the composition of the Board and the independence of the independent non-executive Directors as well as the continued independence of the current long-serving independent non-executive Directors; all independent non-executive Directors are required to submit a written confirmation to the Company to confirm the independence of each of them in accordance with Rule 3.13 of the Listing Rules. The Company considers these independent non-executive Directors are independent. The Board comprises four independent non-executive Directors (representing more than one third of the Board) to maintain adequate checks and balances, and these Directors continue to devote adequate time commitment to the Company. The chairman of the Board holds at least one meeting with the independent non-executive Directors every year to obtain independent views on each topic of the Company. The Company has in place policies and procedures to avoid any potential interest conflicts, and any Directors (including the independent non-executive Directors) who has material interests in any contracts, transactions or arrangements is required to abstain from voting on the relevant resolutions to ensure the objectivity and integrity of the Board's decision-making. All members of the Board (including the independent non-executive Directors) may seek independent professional advice when necessary, at the Company's expenses, for discharging their duties, and appoint independent non-executive Directors to serve at the Board committees in appropriate circumstances to ensure accessibility of independent views to each committee. The Board reviews the implementation and effectiveness of the relevant mechanism every year.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, nomination of Directors and other significant financial and operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Every newly appointed Director will receive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Corporate Governance Report

Directors should participate in appropriate continuous professional training to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year 2024, the Company organized training sessions conducted by the legal advisers for the Directors, namely Mr. CHEN Dayu, Mr. LI Minghui, Mr. ZHANG Wei, Mr. ZHANG Fengyang (resigned on 25 April 2024), Mr. ZHOU Jianyu, Mr. SONG Zhiyong, Ms. ZHANG Yi, Ms. ZHAO Jie, Mr. WANG Hongxin, Mr. QIN Haiyan and Ms. HU Zhiying. The training session(s) covered a wide range of relevant topics including directors' duties and responsibilities, corporate governance and regulatory updates, etc.

The training records of the Directors for the year ended 31 December 2024 are summarized as follows:

Directors	Type of Training ^{Note}
Executive Directors	
CHEN Dayu	A
LI Minghui	A
ZHANG Wei	A
ZHANG Fengyang (resigned on 25 April 2024)	A
Non-executive Directors	
ZHOU Jianyu	A
SONG Zhiyong	A
ZHANG Yi	A
Independent non-executive Directors	
ZHAO Jie	A
WANG Hongxin	A
QIN Haiyan	A
HU Zhiying	A

Note:

Type of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops.



Corporate Governance Report

BOARD COMMITTEES



Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises three members, namely Ms. ZHAO Jie (serving as the chairperson), and Ms. HU Zhiying, both are independent non-executive Directors, and Ms. ZHANG Yi, a non-executive Director.

The primary functions of the Remuneration and Nomination Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration; and reviewing and/or approving the matters relating to the share schemes of the Company (if any) in accordance with Chapter 17 of the Listing Rules.

The Remuneration and Nomination Committee is also responsible for reviewing the Board composition at least annually, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Remuneration and Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Remuneration and Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Remuneration and Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the year, the Remuneration and Nomination Committee held 8 meetings.

The Remuneration and Nomination Committee reviewed and made recommendation to the Board on the remuneration policy and the remuneration packages of the executive Directors and senior management, as well as assessed the performance of executive Directors and approved the terms of executive Directors' service contracts.

The Remuneration and Nomination Committee also reviewed the structure, size and composition of the Board and the independence of the independent non-executive Directors at least annually, and considered the qualifications of the retiring Directors standing for election at the general meeting.

The Remuneration and Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.



Corporate Governance Report

Strategy Committee

The current members of the Strategy Committee are three executive Directors, which are Mr. CHEN Dayu (appointed as the chairman on 25 April 2024), Mr. LI Minghui and Mr. ZHANG Wei, and one independent non-executive Director, which is Mr. QIN Haiyan.

Mr. ZHANG Fengyang ceased to be the chairman of the Strategy Committee of the Company on 25 April 2024.

The primary function of the Strategy Committee is to make recommendations to the Board on the long-term development strategies of the Company.

During the year, the Strategy Committee held 3 meetings.

Legal and Compliance Management Committee

The current members of the Legal and Compliance Management Committee are Mr. ZHOU Jianyu (serving as the chairman), a non-executive Director, Mr. LI Minghui (appointed as a member on 25 April 2024), an executive Director, and Mr. WANG Hongxin, an independent non-executive Director.

Mr. CHEN Dayu ceased to be a member of the Legal and Compliance Management Committee on 25 April 2024.

The primary function of the Legal and Compliance Management Committee is to further enhance the Company's capability of preventing and mitigating significant risks associated with the operation of the Company.

During the year, the Legal and Compliance Management Committee held 2 meetings.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage as well as a key element in attaining its strategic objectives and sustainable development. The Board currently has three female directors in position.

Pursuant to the Board Diversity Policy, the Remuneration and Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy. In relation to reviewing and assessing the Board composition and the nomination of directors, the Remuneration and Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge



Corporate Governance Report

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that the selection and nomination of Board positions are appropriately structured so that a diverse range of candidates are considered.

The Company considers the Board has a well-balanced cultural background, educational background, industry experience and professional experience. The Board has set measurable objectives to implement the Board Diversity Policy and reviewed such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Board conducts annual review on the implementation of the Board Diversity Policy to ensure its effectiveness.

As of 31 December 2024, the Group had 3,176 employees, including 2,555 male employees and 621 female employees. The proportion of male and female employees to our total workforce (including senior management) was approximately 80.45% and 19.55%. Differences in education degree, culture background, professional background and job requirements are the main factors dominating the employee gender diversity. The principal businesses of the Company are wind power generation, photovoltaic power generation, gas-fired power and heat energy generation, hydropower generation and other businesses related to clean energy, with the industry feature of high concentration of male employees. The Company recognises the benefits of employee diversity, and will make every possible effort to promote employee diversity, especially gender diversity. In order to promote gender diversity, and on the premise of offering equal opportunities for recruitment, career development and promotion, the Company will continue to introduce all kinds of professional talents of both genders according to its own development needs, and take gender diversity into consideration for recruitment and selection of senior management and employees, with an aim to cultivate and build a talent team with reasonable structure, gender diversity and equal opportunities.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection of Directors to the Remuneration and Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process in the nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy.



Corporate Governance Report

- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Candidate who is nominated as director should meet the relevant qualifications of director's appointment as stated in the Company Law, the Articles of Association and other applicable laws and regulations.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Remuneration and Nomination Committee from time to time for nomination of directors and succession planning.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Remuneration and Nomination Committee will review the Director Nomination Policy to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the part two of the CG Code.

During the year, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Corporate Governance Report

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

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

Name of Director	Attendance/Number of Meetings during the Term of Office						Annual General Meeting	Extraordinary General Meeting
	Board	Audit Committee	Remuneration and Nomination Committee	Strategy Committee	Legal and Compliance Management Committee			
CHEN Dayu ⁽¹⁾	10/10	-	-	3/3	1/1	1/1	2/3	
LI Minghui ⁽²⁾	10/10	-	-	3/3	1/1	0/1	3/3	
ZHANG Wei	10/10	-	-	3/3	-	1/1	3/3	
ZHANG Fengyang ⁽³⁾	3/3	-	-	1/1	-	0/0	1/1	
ZHOU Jianyu	10/10	-	-	-	2/2	1/1	3/3	
SONG Zhiyong	10/10	3/3	-	-	-	1/1	3/3	
ZHANG Yi	10/10	-	8/8	-	-	1/1	2/3	
ZHAO Jie	10/10	3/3	8/8	-	-	1/1	3/3	
WANG Hongxin	10/10	-	-	-	2/2	1/1	3/3	
QIN Haiyan	10/10	-	-	3/3	-	1/1	2/3	
HU Zhiying	10/10	3/3	8/8	-	-	1/1	3/3	

Notes (1) Mr. CHEN Dayu was a member of the Strategy Committee until 25 April 2024 and was appointed as the chairman of the Strategy Committee on 25 April 2024, and ceased to be a member of the Legal and Compliance Management Committee on 25 April 2024.

(2) Mr. LI Minghui was appointed as a member of the Legal and Compliance Management Committee on 25 April 2024.

(3) Mr. ZHANG Fengyang ceased to be the chairman of the Strategy Committee on 25 April 2024.

Apart from regular Board meetings, the Chairman also held meetings with the independent non-executive Directors without the presence of other Directors during the year.



Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provided treatment plans, and monitored the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

Review on the risk management and internal control system is conducted once a year, covering the period from 1 January 2024 and 31 December 2024. The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2024.

The Company has established its internal audit function and performed independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2024, and considered that such systems are effective and adequate. The annual review also covered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions as well as the ESG performance and reporting.



Corporate Governance Report

The Group has in place effective whistleblowing policies for the employees and relevant third parties (namely the clients, suppliers, creditors and debtors) to report any suspected violation, fraud and corruption practice through designated channels. Independent investigation will be conducted for any reported case. Meanwhile, all the information provided by the whistle-blowers and the identity of the whistle-blowers will be kept confidential. The Group will continue to improve its internal control and disciplinary system, and immediate actions will be taken when any illegal behaviour is discovered.

The Board and the Audit Committee will conduct regular review on the whistleblowing policies and mechanism to enhance their effectiveness.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

The Group has in place anti-corruption mechanism which forms a part of the corporate governance framework of the Group. The anti-corruption mechanism is reviewed and updated periodically to align with the applicable laws and regulations and the best practice of the industry.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2024.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 93 to 94.

Where appropriate, a statement will be submitted by the Audit Committee explaining its recommendation regarding the selection, appointment, resignation or dismissal of external auditors and the reasons why the Board has taken a different view from that of the Audit Committee.

AUDITORS' REMUNERATION

During the year ended 31 December 2024, the remuneration paid and payable to the international auditor and domestic auditor for audit services was RMB6,890,000 in aggregate, and services fees for non-audit services paid and payable to the international auditor and domestic auditor (including their respective member firms) was RMB1,435,000 in aggregate, which was for the professional services relating to the financing and acquisition and other matters of the Group.



Corporate Governance Report

COMPANY SECRETARY

Mr. ZHANG Wei and Mr. CHEUNG Kai Cheong Willie currently serve as our joint company secretaries. Mr. LEUNG Chi Kit, our former joint company secretary, has resigned as a joint company secretary of the Company with effect from 17 January 2025, and Mr. CHEUNG Kai Cheong Willie, a senior manager of SWCS Corporate Services Group (Hong Kong) Limited, has been appointed as a joint company secretary of the Company with effect from 17 January 2025. Mr. CHEUNG Kai Cheong Willie possesses the necessary qualifications and experience required under Rules 3.28 and 8.17 of the Listing Rules. Mr. ZHANG Wei (the secretary to the Board and joint company secretary) serves as the main contact person of the Company for Mr. CHEUNG Kai Cheong Willie. All Directors of the Company are entitled to obtain the advice and services from the company secretaries to ensure their compliance with Board procedures and all applicable laws, rules and regulations.

For the year ended 31 December 2024, Mr. ZHANG Wei and Mr. LEUNG Chi Kit (our former joint company secretary) have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels.

To safeguard Shareholders' interests and rights, separate resolution is proposed for each substantially separate issue at Shareholders' meetings, including the election of individual Directors.

All resolutions put forward at Shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each Shareholders' meeting.

Convening a General Meeting by Shareholders

Shareholders holding more than 10% of Shares (individually or together with others) shall be entitled to request for an extraordinary general meeting.

By signing one or several written requests with the same content and format, and stating the subject of the meeting, the aforesaid Shareholders may request the Board to convene an extraordinary general meeting. Shares held by the above Shareholders shall be calculated as at the date of submitting the written request.



Corporate Governance Report

Putting Forward Proposals at General Meetings

Pursuant to the Company Law with effect from 1 July 2024, when a general meeting is held by the Company, the Board, Board of Supervisors or Shareholders who individually or together holding more than 1% of the Shares of the Company may propose resolutions to the Company. Shareholders who individually or together holding more than 1% of the Shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the holding of the general meeting.

The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and the Articles of Association.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 7/8/9 Floor, No. 6 Xibahe Road
Chaoyang District, Beijing, the PRC
(For the attention of the company secretary)

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full names, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and extraordinary general meetings. The Chairman of the Board, non-executive Directors, independent non-executive Directors, and the chairman of all Board committees (or their delegates) will make themselves available at general meetings to meet Shareholders and answer their enquiries upon request.

During the year, the Company has not made any changes to its Articles of Association. An up to date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.



Corporate Governance Report

POLICIES RELATING TO SHAREHOLDERS

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The Board conducts annual review on the Shareholders' Communication Policy to ensure its effectiveness. Pursuant to the Shareholders' Communication Policy, the Company regularly holds the annual general meeting every year; the Company establishes a special investor relationship section on its website for updating the information regularly, and upload to the Company's website those information which have been published to the Stock Exchange in one hour, to ensure that the update information about the Group are available to shareholders and potential investors on a timely manner. Such information includes financial statements, results announcements, circulars, notices of general meetings and relevant explanatory documents, and all announcements. The Company convenes the results presentation every half year to timely inform shareholders or potential investors the Company's results. The Company receives inquiries from shareholders or potential investors from time to time. Through the above-mentioned measures, the Company can effectively implement the Shareholders' Communication Policy, to ensure that the Company maintains long-term effective and good communication with its shareholders. During the year, the Board has reviewed the implementation and effectiveness of the Shareholders' Communication Policy after taking into consideration of, including but not limited to, all existing communication and engagement channels. The Board is of the opinion that the Shareholders' Communication Policy has been properly implemented during the year and is effective. In accordance with the Expansion of the Paperless Listing Regime and the Electronic Dissemination of Corporate Communications issued by the Hong Kong Stock Exchange which came into effect on 31 December 2023, the Company adopted the arrangement for electronic dissemination of corporate communications. Corporate communications refer to any documents issued or to be issued by the Company for information or action of holders of securities of the Company, including but not limited to (a) report of directors, annual accounts together with a copy of the auditors' report and (where applicable) summary of financial report; (b) interim reports and a summary thereof (where applicable); (c) notices of meetings; (d) listing documents; (e) circulars and (f) proxy forms. All corporate communications in the future, both in English and Chinese, will be published on the websites of the Company (www.jncec.com) and HKEXnews (www.hkexnews.hk) in substitution of printed copy.

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the approval of general meetings. Such details have been disclosed in this Annual Report.

Independent Auditor's Report

Deloitte.

德勤

TO THE SHAREHOLDERS OF BEIJING JINGNENG CLEAN ENERGY CO., LIMITED
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Beijing Jingneng Clean Energy Co., Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 96 to 247, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") 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 International Standards on Auditing ("ISAs"). 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independent Auditor's Report

KEY AUDIT MATTER

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

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of operation rights in Hydropower segment

We identified the impairment assessment of operation rights in Hydropower segment, which are included in intangible assets, as a key audit matter due to the significant judgment involved in the determination of their recoverable amounts.

As disclosed in Note 20 to the consolidated financial statements, the management performed impairment assessment of these operation rights by determining the recoverable amounts of the cash-generating unit ("CGU") to which the operation rights belong. The recoverable amounts of the CGU to which the operation rights belong are determined based on the value in use calculation of the CGU. The value in use calculation 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.

As at 31 December 2024, the carrying amount of these operation rights included in intangible assets is RMB370,796,000, net of impairment losses of RMB403,363,000 recognised during the year. Details of operation rights impairment and the related key estimation uncertainty are set out in Notes 4 and 20 to the consolidated financial statements.

Our procedures in relation to the operation rights impairment assessment included:

- Understanding the key inputs used in management's impairment assessment, including comparisons of profit margins and revenue growth rate with the CGU's historical performances;
- Performing retrospective review by comparing the actual results of the current year with the management's forecast prepared in the previous year, and understanding the causes of any significant variances; and
- Involving our internal valuation specialists to assess the valuation methodology and the discount rate used by the management.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.



Independent Auditor's Report

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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



Independent Auditor's Report

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

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

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

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
24 March 2025

Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED 31 DECEMBER 2024

Year ended 31 December

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	20,561,740	20,446,028
Other income	7	509,039	1,126,679
Gas consumption		(9,225,551)	(9,365,354)
Depreciation and amortisation expense	12	(3,739,670)	(3,847,886)
Personnel costs	12	(1,499,692)	(1,353,435)
Repairs and maintenance		(305,288)	(321,725)
Other expenses	8	(1,159,472)	(1,204,940)
Other gains and losses	9	130,119	(283,539)
Impairment losses recognised under expected credit loss model, net		(10,117)	(7,947)
Profit from operations		5,261,108	5,187,881
Interest income	10	64,548	68,077
Finance costs	10	(1,152,740)	(1,243,402)
Share of results of associates		119,423	116,673
Share of result of a joint venture		(12,537)	14,566
Profit before taxation		4,279,802	4,143,795
Income tax expense	11	(858,907)	(908,592)
Profit for the year	12	3,420,895	3,235,203
Profit for the year attributable to:			
– Equity holders of the Company		3,245,045	3,057,641
– Holders of perpetual notes	42	97,548	92,240
– Non-controlling interests		78,302	85,322
		3,420,895	3,235,203
Earnings per share			
Basic and diluted (RMB cents)	15	39.36	37.09

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Profit for the year	3,420,895	3,235,203
Other comprehensive income (expense)		
Items that will not be reclassified to profit or loss:		
Fair value changes on equity instruments at fair value through other comprehensive income	13,500	(136)
Income tax relating to items that will not be reclassified to profit or loss	(3,375)	34
	10,125	(102)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(63,610)	44,562
Cash flow hedges:		
Fair value changes during the year	(19,751)	(31,228)
Reclassification of reserves in relation with power purchase agreement	20,413	9,952
Income tax relating to items that may be reclassified subsequently to profit or loss	(199)	6,383
	(63,147)	29,669
Other comprehensive (expense) income for the year, net of income tax	(53,022)	29,567
Total comprehensive income for the year	3,367,873	3,264,770
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	3,234,304	3,087,208
– Holders of Perpetual notes	97,548	92,240
– Non-controlling interests	36,021	85,322
	3,367,873	3,264,770

Consolidated Statement of Financial Position

AT 31 DECEMBER 2024

	Notes	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Non-current Assets			
Property, plant and equipment	16	63,752,419	60,399,920
Right-of-use assets	17	2,121,278	2,010,652
Intangible assets	18	3,927,116	4,581,135
Goodwill	19	65,855	65,855
Finance lease receivables	27	1,323,897	511,325
Investments in associates	21(a)	1,613,201	1,551,361
Loans to an associate	21(b)	38,000	40,000
Investment in a joint venture	22(a)	63,718	76,255
Loans to a joint venture	22(b)	70,000	70,000
Deferred tax assets	23	213,113	254,107
Equity instrument at fair value through other comprehensive income	24	106,000	92,500
Value-added tax recoverable	29	1,812,205	1,567,739
Deposit paid for acquisition of property, plant and equipment		1,376,944	1,682,818
Restricted bank deposits	31	46,807	69,274
Derivative financial assets	37	–	15,836
Other non-current assets		457,652	793,855
		76,988,205	73,782,632
Current Assets			
Inventories	25	94,574	87,774
Finance lease receivables	27	83,079	434,920
Trade and bills receivables	26	14,016,906	10,921,894
Other receivables, deposits and prepayments	28	874,894	677,078
Current tax assets		37,570	8,424
Amounts due from related parties	47(a)	592,653	197,682
Value-added tax recoverable	29	577,186	606,726
Financial asset at fair value through profit or loss	30	335,573	257,853
Derivative financial asset	37	5,517	10,591
Restricted bank deposits	31	45,661	3,781
Cash and cash equivalents	32	7,401,623	6,605,086
		24,065,236	19,811,809

Consolidated Statement of Financial Position

AT 31 DECEMBER 2024

	<i>Notes</i>	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Current Liabilities			
Trade and other payables	33	6,784,117	6,691,856
Amounts due to related parties	47(b)	330,113	183,698
Bank and other borrowings – due within one year	34	13,154,078	9,743,969
Short-term debentures	35	5,532,001	4,828,929
Medium-term notes	36	1,114,482	93,162
Corporate bonds	36	613,432	13,762
Contract liabilities		144,167	114,182
Lease liabilities	39	58,626	35,304
Derivative financial liability	37	–	65,350
Income tax payable		383,755	335,182
Deferred income	38	–	105,817
		28,114,771	22,211,211
Net Current Liabilities		(4,049,535)	(2,399,402)
Total Assets less Current Liabilities		72,938,670	71,383,230
Non-current Liabilities			
Bank and other borrowings – due after one year	34	26,808,495	28,148,846
Medium-term notes	36	6,993,538	6,492,406
Corporate bonds	36	–	599,785
Deferred tax liabilities	23	406,197	388,905
Deferred income	38	228,413	279,645
Lease liabilities	39	889,039	792,106
Other non-current liability		130,213	160,859
		35,455,895	36,862,552
Net Assets		37,482,775	34,520,678

Consolidated Statement of Financial Position

AT 31 DECEMBER 2024

	Notes	At 31 December 2024 RMB'000	At 31 December 2023 RMB'000
Capital and Reserves			
Share capital	40	8,244,508	8,244,508
Reserves		24,916,574	22,433,538
Equity attributable to equity holders of the Company		33,161,082	30,678,046
Perpetual notes	42	3,028,303	3,023,455
Non-controlling interests		1,293,390	819,177
Total Equity		37,482,775	34,520,678

The consolidated financial statements on pages 96 to 247 were approved and authorised for issue by the board of directors on 24 March 2025 and are signed on its behalf by:

CHEN DAYU
Director

LI MINGHUI
Director

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

Attributable to equity holders of the Company

	Share capital	Capital reserve	Statutory surplus reserve	Other reserves	Fair value through other comprehensive income reserve	Cash flow hedging reserve	Currency translation differences	Retained profits	Total	Perpetual notes	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	RMB'000
	(Note 40)	(Note 41)	(note (a))	(note (b))						(Note 42)		
At 1 January 2023	8,244,508	3,574,086	2,963,744	27,783	18,458	18,661	(224,407)	13,977,098	28,589,931	3,027,962	804,328	32,422,221
Profit for the year	-	-	-	-	-	-	-	3,057,641	3,057,641	92,240	85,322	3,235,203
Other comprehensive (expense) income for the year	-	-	-	-	(102)	(14,893)	44,562	-	29,567	-	-	29,567
Total comprehensive (expense) income for the year	-	-	-	-	(102)	(14,893)	44,562	3,057,641	3,087,208	92,240	85,322	3,264,770
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	(10,200)	(10,200)
Issuance of perpetual notes	-	-	-	-	-	-	-	-	-	2,000,000	-	2,000,000
Issuance costs	-	-	-	-	-	-	-	-	-	(3,780)	-	(3,780)
Repayments of perpetual notes	-	(7,783)	-	-	-	-	-	-	(7,783)	(1,992,217)	-	(2,000,000)
Capital contribution in a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	-	-	637	637
Appropriation to statutory surplus reserve	-	-	241,899	-	-	-	-	(241,899)	-	-	-	-
Appropriations and utilisations of specific reserve (note (d))	-	-	-	25,132	-	-	-	(25,452)	(320)	-	320	-
Dividends declared	-	-	-	-	-	-	-	(990,990)	(990,990)	(100,750)	(61,230)	(1,152,970)
At 31 December 2023	8,244,508	3,566,303	3,195,643	52,915	18,356	3,768	(179,845)	15,776,398	30,678,046	3,023,455	819,177	34,520,678

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Company											
	Share capital RMB'000 (Note 40)	Capital reserve RMB'000 (Note 41)	Statutory surplus reserve RMB'000 (note (a))	Other reserves RMB'000 (note (b))	Fair value through other comprehensive income reserve RMB'000	Cash flow hedging reserve RMB'000	Currency translation differences RMB'000	Retained profits RMB'000	Total RMB'000	Perpetual notes RMB'000 (Note 42)	Non-controlling interests RMB'000	Total equity RMB'000
Profit for the year	-	-	-	-	-	-	-	3,245,045	3,245,045	97,548	78,302	3,420,895
Other comprehensive income (expense) for the year	-	-	-	-	10,125	146	(21,012)	-	(10,741)	-	(42,281)	(53,022)
Total comprehensive income (expense) for the year	-	-	-	-	10,125	146	(21,012)	3,245,045	3,234,304	97,548	36,021	3,367,873
Issuance of perpetual notes	-	-	-	-	-	-	-	-	-	1,000,000	-	1,000,000
Issuance costs	-	-	-	-	-	-	-	-	-	(800)	-	(800)
Repayments of perpetual notes	-	(4,500)	-	-	-	-	-	-	(4,500)	(995,500)	-	(1,000,000)
Disposal of partial interests in a subsidiary without loss of control (note (c))	-	-	-	405,733	-	-	-	405,733	-	-	513,080	918,813
Capital contribution in a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	-	-	52,143	52,143
Appropriation to statutory surplus reserve	-	-	325,653	-	-	-	-	(325,653)	-	-	-	-
Appropriations and utilisations of specific reserve (note (d))	-	-	-	36,474	-	-	-	(36,393)	81	-	(81)	-
Dividends declared	-	-	-	-	-	-	-	(1,152,582)	(1,152,582)	(96,400)	(126,950)	(1,375,932)
At 31 December 2024	8,244,508	3,561,803	3,521,296	495,122	28,481	3,914	(200,857)	17,506,815	33,161,082	3,028,303	1,293,390	37,482,775

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

Notes:

- (a) According to the relevant requirement in the memorandum and articles of association of Beijing Jingneng Clean Energy Co., Limited and its subsidiaries (collectively referred to as the “Group”), a portion of their profits after taxation computed in accordance with the relevant accounting principles and financial regulations in the People’s Republic of China will be transferred to statutory surplus reserve. The transfer to this reserve must be made before the distribution of a dividend to ordinary shareholders. Such statutory surplus reserve can be used to offset the previous years’ losses, if any, or increase capital. The statutory surplus reserve is non-distributable other than upon liquidation.
- (b) Other reserves mainly represent: (i) the share of other comprehensive income of associates and a joint venture; (ii) specific reserve detailed in notes (c) and (d).
- (c) During the year, Beijing Jingneng Clean Energy (Hong Kong) Co., Limited (“BJCE HK”), a wholly-owned subsidiary of the Company, disposed of its 40% equity interests in Beijing Jingneng Clean Energy (Australia) Holding Pty Ltd (“BJCE Australia”) to Beijing Energy International (Australia) Holding Pty Ltd (北京能源國際(澳大利亞)控股有限公司) (“BEI Australia”), a fellow subsidiary of the Company, for a consideration of Australian dollars (“AU\$”) 189,559,000 (equivalent to approximately RMB918,813,000). Upon completion of the disposal on 30 September 2024, BJCE Australia remained as a subsidiary of the Company. The difference between the consideration and the net assets attributed to the interest disposed to the non-controlling shareholder, amounting to RMB405,733,000 is credited to other reserves.
- (d) Pursuant to certain regulations issued by the Ministry of Finance (財政部) and the State Administration of Work Safety (安全監管總局) of the People’s Republic of China (the “PRC”) in 21 November 2022, entities engaged in power generation are required to set up a safety fund based on certain percentage of prior year revenue for safety facilities and environment improvement, which is restricted for distribution to shareholders. Qualified safety expenditure can be transferred from safety fund to retained earnings subsequently.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2024

Year ended 31 December

	2024 RMB'000	2023 RMB'000
Operating activities		
Profit before taxation	4,279,802	4,143,795
Adjustments for:		
Depreciation and amortisation expense	3,739,670	3,847,886
Change in fair value of financial asset at fair value through profit or loss	(93,902)	(22,603)
Impairment losses recognised on property, plant and equipment, and intangible assets	403,363	312,789
Impairment losses recognised on goodwill	–	48,279
Impairment losses recognised under expected credit loss model, net	10,117	7,947
Cash-based payment expense	11,234	–
(Gain) loss on disposal of property, plant and equipment	(471,299)	1,918
Gain on disposal of investments in an associate	–	(23,947)
Gain on disposal of financial assets at FVTPL	(16,541)	–
Gain on fair value change of fixed forward commodity contract	(63,490)	(42,138)
Share of results of associates	(119,423)	(116,673)
Share of result of a joint venture	12,537	(14,566)
Interest income	(64,548)	(68,077)
Finance costs	1,152,740	1,243,402
Bargain purchase gain	(18,884)	(13,924)
Release of a contractual obligation	(4,768)	(5,177)
Deferred income released to profit or loss	(93,968)	(368,239)
Operating cash flows before movements in working capital	8,662,640	8,930,672
Movements in working capital:		
(Increase) decrease in inventories	(6,800)	9,506
(Increase) decrease in trade and bills receivables	(3,104,324)	204,142
Increase in amounts due from related parties	(348,837)	(44,592)
Decrease in other receivables, deposits and Prepayments, and value-added tax recoverable	965,515	414,741
(Increase) decrease in finance lease receivables	(460,731)	623,621
Decrease in other non-current assets	336,203	51,922
Decrease in trade and other payables	(878,040)	(250,894)
Increase (decrease) in amounts due to related parties	148,745	(19,764)
(Decrease) increase in deferred income	(83,057)	383,296
Increase (decrease) in contract liabilities	29,985	(30,743)
Cash generated from operations	5,261,299	10,271,907
Income tax paid	(774,793)	(840,348)
Net cash from operating activities	4,486,506	9,431,559

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Investing activities		
Interest received	64,571	68,359
Dividends received	87,083	89,356
Repayments of loans by an associate	2,000	105,000
Loan advanced to an associate	–	(40,000)
Capital injection to associates	(29,500)	–
Purchases of:		
– Property, plant and equipment	(6,542,256)	(8,414,749)
– Intangible assets	(32,332)	(18,817)
– Right-of-use assets	(55,858)	(328,742)
Cash outflow on acquisition of subsidiaries	(7,200)	(385,925)
Proceeds on disposal of property, plant and equipment and intangible assets	73,809	64,912
Proceeds on disposal of an associate	–	69,445
Proceeds on disposal of financial assets at FVTPL	39,833	–
Withdrawal of restricted bank deposits	1,327	20,462
Placement of restricted bank deposits	(20,740)	(3,220)
Cash received from government grants	19,976	919
Repayments of loans receivables by related parties	–	91,705
Net cash used in investing activities	(6,399,287)	(8,681,295)

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2024

Year ended 31 December

	Note	2024 RMB'000	2023 RMB'000
Financing activities			
Capital injection in subsidiaries from non-controlling interests		52,143	637
Interest paid		(1,103,967)	(1,235,240)
New bank and other borrowings raised		18,836,767	21,714,745
Repayments of bank and other borrowings		(16,713,815)	(18,259,951)
Proceeds from issuance of short-term debentures		7,200,000	9,800,000
Issuance cost for short-term debentures		(994)	(3,480)
Repayments of short-term debentures		(6,500,000)	(10,500,000)
Proceeds from issuance of medium-term notes		1,500,000	2,000,000
Issuance cost for medium-term notes		(283)	(1,887)
Repayments of medium-term notes		–	(1,500,000)
Proceeds from issue of perpetual notes		1,000,000	2,000,000
Repayments of corporate bonds		–	(400,000)
Repayments of perpetual notes		(1,000,000)	(2,000,000)
Issuance cost of perpetual notes		(800)	(3,780)
Repayments of lease liabilities		(63,232)	(82,229)
Proceeds from disposal of interests in a subsidiary without loss of control		893,923	–
Dividends paid to:			
– Ordinary shareholders of the Company		(1,152,582)	(990,990)
– Non-controlling interests		(126,950)	(61,230)
– Holders of perpetual notes		(96,400)	(100,750)
Net cash from financing activities		2,723,810	375,845
Net increase in cash and cash equivalents		811,029	1,126,109
Cash and cash equivalents at the beginning of the year		6,605,086	5,466,388
Effect of foreign exchange rate changes		(14,492)	12,589
Cash and cash equivalents at the end of the year	32	7,401,623	6,605,086
Represented by:			
Cash and cash equivalents at the end of the year		7,401,623	6,605,086

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Beijing Jingneng Clean Energy Co., Limited (the “Company”) is a joint stock company established in the PRC with limited liability and its H shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The address of the Company’s registered office is Room 118, No. 1 Ziguang East Road, Badaling Economic Development Zone, Yanqing County, Beijing, the PRC. The principal place of business of the Company is No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC.

In the opinion of the directors of the Company (the “Directors”), 北京能源集團有限責任公司 (Beijing Energy Holding Co., Ltd.) (“BEH”) is the Company’s ultimate holding company (also the immediate parent company). BEH is a state-owned enterprise established in the PRC with limited liability and is wholly-owned by 北京國有資本運營管理有限公司 (Beijing State-owned Capital Operation Management Co., Ltd.) (“BSCOMC”) which is established and is wholly-owned by 北京市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality).

The principal businesses of the Company and its subsidiaries (collectively referred to as the “Group”) are wind power generation, photovoltaic power generation, gas-fired power and heat energy generation, hydropower generation and other businesses related to clean energy.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the “IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

In preparing the consolidated financial statements, the Directors have given careful consideration that at 31 December 2024, the Group has net current liabilities of RMB4,049,535,000. The Group meets its working capital requirements with cash generated from its operating activities and available financing facilities from banks. At 31 December 2024, the Group has committed unutilised financing facilities granted to the Group amounting to approximately RMB32.46 billion of which approximately RMB8.80 billion will be expired after 12 months from the date of the consolidated statement of financial position. The Directors are confident that sufficient financing facilities will continue to be available to the Group for the foreseeable period not less than 12 months from the date of the consolidated statement of financial position. Based on the assessment, the Directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.



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

3.2 Material accounting policy information

Basis of consolidation

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Basis of consolidation (continued)

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

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

Changes in the Group's interests in existing subsidiaries

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 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 owners 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 owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. 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 IFRS 9 *Financial Instruments* ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



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

3.2 Material accounting policy information (continued)

Business combinations

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses, other than business combination under common control, 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.

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* issued by IASB in March 2018 (the “Conceptual Framework”) except for transactions and events within the scope of IAS 37 or IFRIC 21, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Business combinations (continued)

Business combinations (continued)

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 IAS 12 *Income Taxes* and IAS 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 IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) 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 favorable or unfavorable terms of the lease when compared with market terms.



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

3.2 Material accounting policy information *(continued)*

Business combinations (continued)

Business combinations (continued)

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 amounts of the identifiable assets acquired and liabilities assumed as at acquisition date. If, after re-assessment, the net amount 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 entity'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.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

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 group 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 group 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 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 group of cash-generating units).

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.



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

3.2 Material accounting policy information *(continued)*

Investments in associates and a joint venture

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 a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and a joint venture 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 a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Investments in associates and a joint venture (continued)

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 a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in 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 IAS 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 is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 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. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.



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

3.2 Material accounting policy information (continued)

Investments in associates and a joint venture (continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Revenue from contracts with customers (continued)

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 or 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 IFRS 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 and presented on a net basis.



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

3.2 Material accounting policy information *(continued)*

Revenue from contracts with customers (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

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.

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 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee

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, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

Short-term leases

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

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.



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

3.2 Material accounting policy information *(continued)*

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets *(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



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information *(continued)*

Leases (continued)

The Group as a lessor (continued)

Lease modification *(continued)*

(i) Finance leases

The Group accounts for a change in the lease payments of a finance lease as a lease modification, that is not accounted for as a separate lease, in accordance with the requirements of IFRS 9. If the change represents a substantial modification, the finance lease receivables of the original lease are derecognised and a derecognition gain or loss calculated using the revised lease payments discounted at the revised discount rate is recognised in profit or loss on the date of the modification. If the change does not represent a substantial modification, the Group continues to recognise the finance lease receivables in which such carrying amount will be calculated at the present value of the modified contractual cash flows discounted at the related receivables' original discount rate. Any adjustment to the carrying amount is recognised in profit or loss at the effective date of modification.

Sale and leaseback transactions

The Group applies the requirements of IFRS 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 continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

The Group as a buyer-lessor

For a transfer of asset that does not satisfy the requirements of IFRS 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 loan receivable equal to the transfer proceeds within the scope of IFRS 9.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

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 on 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 on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation 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 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, unless exchange rates fluctuate significantly during that period, in which case the exchange prevailing rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of currency translation differences on translating foreign operations (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.



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

3.2 Material accounting policy information *(continued)*

Borrowing costs

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

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

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

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 the useful lives of the related assets.

Government grants related to income 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. Such grants are presented under “other income”.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in a joint venture, 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.



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

3.2 Material accounting policy information *(continued)*

Taxation (continued)

Deferred tax 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 each reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

Deferred tax assets and 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 to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that held for use in the production or supply of goods or services, or for administrative purposes other than other than freehold lands and properties under construction as described below. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs 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, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are 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 (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The cost of those items are measured in accordance with the measurement requirements of IAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than property, plant and equipment under construction) less their residual values over their estimated 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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Intangible assets

The Group recognises an intangible asset arising from the wind farm concession arrangement when it has a right to receive the income for the usage of the concession infrastructure. Intangible assets recognised as a consideration for providing construction services in a concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost 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. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. 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 cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

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

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets 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 amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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



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

3.2 Material accounting policy information (continued)

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

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial



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

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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 recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* (“IFRS 3”) applies.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

A financial asset is 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 income

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



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

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) 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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and bills receivables, other receivables and deposits, amounts due from related parties, cash and cash equivalents, restricted bank deposits, loans to an associate and loans to a joint venture) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. 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. The ECL on these assets are assessed individually.

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



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

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (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.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

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

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

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due (except for clean energy power price premium) unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.



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

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iv) Write-off policy

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

(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.

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

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



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

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Financial assets (continued)

Derecognition/modification 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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCL, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

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.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to related parties, bank and other borrowings, medium-term notes, corporate bonds and short-term debentures are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

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

Derivative financial instruments

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

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.



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

3.2 Material accounting policy information *(continued)*

Financial instruments (continued)

Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

For the purpose of determining whether a forecast transaction (or a component thereof) is highly probable, the Group assumes that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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

3.2 Material accounting policy information (continued)

Financial instruments (continued)

Hedge accounting (continued)

Assessment of hedging relationship and effectiveness (continued)

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

For changes made to the hedged risk, hedged item or hedging instrument required by interest rate benchmark reform, the Group amends the formal designation of a hedging relationship to reflect the changes by the end of the reporting period during which the relevant changes were made. Such an amendment to the formal designation of the hedging relationship constitutes neither the discontinuation of the hedging relationship nor the designation of a new hedging relationship.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative changes in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the interest rate benchmark reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

Amounts previously recognised in other comprehensive income and accumulated in equity



3.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (*continued*)

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

Useful lives of property, plant and equipment and change in accounting estimates

The Group's management determines the useful lives and related depreciation expenses for its property, plant and equipment, after taking into account of the estimated residual value. This estimate is based on historical experience on the projected wear and tear incurred during power generation. It might change significantly as a result of technical innovations. When there is a significant change in the estimated useful life, depreciation expense may have to be adjusted accordingly and therefore estimates based on current experience may differ from actual results for the next period, which may result in significant adjustments to the carrying value of fixed assets and accumulated depreciation amounts. The management reviewed the estimated useful lives of property, plant and equipment annually.

During the year, after detailed assessment on the operation conditions of assets of its subordinate power plants with reference to the depreciation policies implemented in the same industry and based on the management requirements of the Group, the Directors approved the changes on the useful lives of the Group's property, plant and equipment, mainly represented generators and related equipments, with effect from 1 August 2024. The changes in accounting estimates adopt the prospective application method, which have no impact on the financial conditions and operating results of the Group for the previous years. The Group's depreciation expense for the year was decreased by approximately RMB280 million for the year.

At as 31 December 2024, the carrying amounts of property, plant and equipment are set out in Note 16.

Useful lives of concession rights and operation rights

The Group's management determines the useful lives and related amortisation expenses for its wind farm concession rights and wind or hydropower operation rights. This estimate is based on corresponding legal or contractual arrangements, projected profitability, and current legal and economic environment. It might be significantly affected by factors that include but not limited to the changes in the legal and regulatory framework, economic environment, technical innovation, etc. The amortisation expense for future periods would be adjusted if there are significant changes from previous estimates.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Impairment of operation rights in Hydropower segment

During the year, impairment indicators for the operation rights under Hydropower segment existed and the management performed impairment assessment for these operation rights by determining the recoverable amounts of the cash-generating unit (“CGU”) to which the operation rights belong. At 31 December 2024, the carrying amounts of wind farm concession rights and wind or hydropower operation rights are set out in Note 18. Determining whether the certain operation rights is impaired requires an estimation of the value in use of the CGU to which the operation rights has been allocated. The value in use calculation 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 cash flows are less than expected, a material impairment loss may arise. As at 31 December 2024, the carrying amount of the CGU to which the operation rights belong is RMB557,484,000, after netting of operation rights impairment of RMB403,363,000 recognised during the year. Details of operation rights impairment are set out in Note 20 to the consolidated financial statements.

Impairment of trade receivables

The Group assesses impairment of trade receivables based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and assessment of both the current as well as the forecast direction of conditions at the end of the reporting period.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group’s trade receivables are disclosed in Note 49.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	20,512,847	20,364,969
Leases	48,893	81,059
	20,561,740	20,446,028

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

5. REVENUE (continued)

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2024					Total RMB'000
	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	
Types of goods and services						
Sales of electricity	10,252,838	4,709,301	3,086,397	294,139	-	18,342,675
Sales of heat energy	2,157,466	-	-	-	-	2,157,466
Repairs and maintenance and other services	-	-	-	-	12,706	12,706
Timing of revenue recognitions						
A point in time	12,410,304	4,709,301	3,086,397	294,139	-	20,500,141
Over time	-	-	-	-	12,706	12,706
Geographical markets						
Mainland China	12,410,304	4,472,037	3,081,799	294,139	12,706	20,270,985
Overseas	-	237,264	4,598	-	-	241,862
Revenue from contracts with customers	12,410,304	4,709,301	3,086,397	294,139	12,706	20,512,847

5. REVENUE (continued)

(i) Disaggregation of revenue from contracts with customers (continued)

	For the year ended 31 December 2023					Total RMB'000
	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	
Types of goods and services						
Sales of electricity	10,462,089	4,511,859	2,957,812	322,670	-	18,254,430
Sales of heat energy	2,106,132	-	-	-	-	2,106,132
Repairs and maintenance and other services	-	-	-	-	4,407	4,407
Timing of revenue recognitions						
A point in time	12,568,221	4,511,859	2,957,812	322,670	-	20,360,562
Over time	-	-	-	-	4,407	4,407
Geographical markets						
Mainland China	12,568,221	4,284,951	2,953,369	322,670	4,407	20,133,618
Overseas	-	226,908	4,443	-	-	231,351
Revenue from contracts with customers						
	12,568,221	4,511,859	2,957,812	322,670	4,407	20,364,969

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

5. REVENUE (*continued*)

(ii) Performance obligations for contracts with customers

Majority of the sales of electricity to provincial power grid companies are pursuant to the power purchase agreements entered into between the Group and the respective provincial power grid companies. The Group's sales of electricity are made to these power grid companies at the tariff rates agreed with the respective provincial power grid companies as approved by the relevant government authorities.

Sales of heat energy to customers are pursuant to the heat energy purchase agreements entered into between the Group and the customers. The Group's sales of heat energy are made to the customers at the tariff rates approved by the Beijing Municipal Commission of Development and Reform.

For sales of electricity and heat energy, revenue is recognised when control of electricity and heat has been transferred, being when electricity and heat is supplied to the power grid companies and the customers. The normal credit term is 60 days upon electricity and heat is supplied. There is no significant financing component among the payment terms of sales of electricity and heat.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The expected timing of recognising revenue regarding the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and 2023 are within one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

6. SEGMENT INFORMATION (continued)

(a) Segment revenue, results, assets and liabilities

An analysis of the Group's reportable segment revenue, results, assets and liabilities for the years ended 31 December 2024 and 2023 by operating and reportable segment is as follows:

	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
For the year ended 31 December 2024						
Reportable segment revenue from external customers/consolidated revenue	12,410,304	4,709,301	3,086,397	294,139	61,599	20,561,740
Reportable segment results (note (i))	1,312,809	2,786,103	1,610,754	96,492	(548,736)	5,257,422
Reportable segment assets	14,959,776	44,083,813	32,256,891	3,375,630	35,844,306	130,520,416
Reportable segment liabilities	(7,395,273)	(31,596,334)	(21,894,174)	(1,846,186)	(31,586,584)	(94,318,551)
Additional segment information:						
Depreciation	695,088	1,573,627	1,052,768	80,661	24,149	3,426,293
Amortisation	10,996	209,427	66,704	22,137	4,113	313,377
Finance costs (note (ii))	28,838	534,832	351,772	29,440	207,858	1,152,740
Other income	133,410	312,525	18,243	10,731	34,130	509,039
Including:						
– Government subsidies related to clean energy production	-	22,760	-	-	-	22,760
– Government grants related to construction of assets	38,926	2,632	8,758	10,571	-	60,887
– Income from carbon credits	29,266	160,158	70	-	-	189,494
– Others	65,218	126,975	9,415	160	34,130	235,898
Expenditures for reportable segment non-current assets	879,396	2,976,863	3,086,528	11,861	19,034	6,973,682

6. SEGMENT INFORMATION (continued)

(a) Segment revenue, results, assets and liabilities (continued)

	Gas-fired power and heat energy generation RMB'000	Wind power RMB'000	Photovoltaic power RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
For the year ended 31 December 2023						
Reportable segment revenue from external customers/consolidated revenue	12,568,221	4,511,859	2,957,812	322,670	85,466	20,446,028
Reportable segment results (note (i))	1,878,569	2,502,921	1,342,396	(12,828)	(538,098)	5,172,960
Reportable segment assets	14,490,302	41,571,113	27,465,771	3,270,954	35,885,919	122,684,059
Reportable segment liabilities	(6,714,731)	(28,979,057)	(18,303,681)	(1,697,292)	(33,791,898)	(89,486,659)
Additional segment information:						
Depreciation	775,225	1,576,148	1,073,501	96,910	16,467	3,538,251
Amortisation	10,508	207,164	60,727	24,475	6,761	309,635
Finance costs (note (ii))	37,594	525,293	374,679	34,940	270,896	1,243,402
Other income	717,470	368,060	26,251	652	14,246	1,126,679
Including:						
– Government subsidies related to clean energy production	568,806	21,029	–	–	–	589,835
– Government grants related to construction of assets	33,101	2,632	6,718	199	–	42,650
– Income from carbon credits	28,198	210,330	–	139	–	238,667
– Others	87,365	134,069	19,533	314	14,246	255,527
Expenditures for reportable segment non-current assets	220,562	4,309,381	3,922,800	13,096	13,665	8,479,504

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

6. SEGMENT INFORMATION *(continued)*

(a) Segment revenue, results, assets and liabilities *(continued)*

Notes:

- (i) The segment results are arrived at after the deduction from revenue of gas consumption, depreciation and amortisation expense, personnel costs, repairs and maintenance, other expenses, other gains and losses and impairment losses, and including other income before inter-segment elimination.
- (ii) Finance costs have been allocated among the segments for the additional information to the CODM, but are not considered to arrive at the segment results. It represents amounts regularly provided to the CODM but not included in the measurement of segment profit or loss. However, the relevant borrowings have been allocated to arrive at the segment liabilities.

(b) Reconciliations of segment results, assets and liabilities to the consolidated financial statements

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Results		
Reportable segment profit	5,257,422	5,172,960
Inter-segment elimination	3,686	14,921
Profit from operation	5,261,108	5,187,881
Interest income	64,548	68,077
Finance costs	(1,152,740)	(1,243,402)
Share of results of associates	119,423	116,673
Share of result of a joint venture	(12,537)	14,566
Consolidated profit before taxation	4,279,802	4,143,795

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

6. SEGMENT INFORMATION *(continued)*

(b) Reconciliations of segment results, assets and liabilities to the consolidated financial statements *(continued)*

Note: Value-added tax recoverable was net-off with value-added tax payables and included in reportable segment liabilities for reporting to CODM, and they are reclassified and presented as assets in the consolidated statement of financial position.

All assets are allocated to reportable segments, other than equity instruments at FVTOCI, investments in associates and a joint venture, loans to an associate and a joint venture, value-added tax recoverable and deferred tax assets; all liabilities are allocated to reportable segments other than income tax payable and deferred tax liabilities.

(c) Geographical information

Over 90% of the Group's revenue is generated from customers in the PRC for both years, and over 90% of the Group's non-current assets (not including deferred tax assets and financial assets) are located in the PRC as at 31 December 2024 and 2023. Therefore no geographical segment information is presented.

(d) Information about major customers

Revenue of approximately RMB16,982,524,000 for the year ended 31 December 2024 (2023: RMB16,403,657,000) were derived from an external party, the State Grid Corporation of China, which contributed 83% (2023: 80%) to the total revenue.

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
State Grid Corporation of China ¹	16,982,524	16,403,657

¹ Revenue from Gas-fired power and heat energy generation, Wind power, Photovoltaic power and Hydropower segments

7. OTHER INCOME

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Government grants and subsidies related to:		
– Clean energy production (<i>note (a)</i>)	22,760	589,835
– Construction of assets (<i>Note 38</i>)	60,887	42,650
Income from carbon credits (<i>note (b)</i>)	189,494	238,667
Value-added tax refunds or exemptions (<i>note (c)</i>)	142,758	150,589
Others	93,140	104,938
	509,039	1,126,679

Notes:

- (a) Pursuant to the relevant government policy, the Beijing Government compensates the Group based on a pre-determined rate and quantities approved from time to time for the sale of electricity generated by those facilities in respect of a wind power facility and seven gas-fired power facilities. The Group recognised other income based on the actual volume of electricity sold by the Group's related facilities and at the pre-determined subsidising rate.

During the year, pursuant to a notice issued by 北京市财政局 (Beijing Municipal Bureau of Finance, English name for identification purpose) ("Beijing Finance") with effective on 1 January 2024 the Group no longer received subsidies in respect of gas fired power generation from Beijing Finance and the amounts were included in the tariff rate settled by State Grid Corporation of China. Accordingly, the amount entitled by the Group during the year were recognised as revenue from sales of electricity.

- (b) Income from carbon credits was mainly derived from the sales of carbon credits registered under relevant regulated exchange system in Australia and the PRC.
- (c) The Group is entitled to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms, and a full exemption of value-added tax for its revenue from the sale of heat energy to residential

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

8. OTHER EXPENSES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Other expenses comprise:		
Property management fees, operation, maintenance and other service fee	585,391	626,103
Utilities, insurance, office, travelling, and transportation expenses	255,597	256,979
Expenses relating to short-term leases and other leases with terms expiring within 12 months	63,389	62,375
Others	255,095	259,483
	1,159,472	1,204,940

9. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Other gains and losses comprise:		
Gain (loss) on disposal of property, plant and equipment related to:		
– Withdrawal of generators (<i>note</i>)	479,258	–
– Others	(7,959)	(1,918)
Net exchange loss	(106,286)	(19,708)
Gain arising on change in fair value of financial asset at FVTPL	93,902	22,603
Fair value gain of fixed forward commodity contract recognised in profit or loss (<i>Note 37(b)</i>)	63,490	42,138
Bargain purchase gain (<i>Note 43</i>)	18,884	13,924
Impairment losses recognised on:		
– Goodwill (<i>Note 20</i>)	–	(48,279)
– Property, plant and equipment (<i>Note 16</i>)	–	(227,596)
– Intangible assets (<i>Note 18</i>)	(403,363)	(85,193)
Loss on derecognition of financial assets measured at amortised cost (<i>Note 26</i>)	(110,136)	(148,877)
Gain on disposal of investments in an associate	–	23,947
Others	102,329	145,420
	130,119	(283,539)

Note: During the year, the Group signed agreements with the local governments pursuant to which total considerations of RMB676,875,000 for the disposal of generators were agreed.

10. INTEREST INCOME/FINANCE COSTS

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Interest income from:		
– Loans to an associate	1,285	2,438
– Loans to a joint venture	2,943	2,901
– Deposits with a related non-bank financial institution (<i>note</i>)	36,076	28,690
– Bank balances and deposits	24,244	34,048
Total interest income	64,548	68,077
Interest on bank and other borrowings, short-term debentures, corporate bonds and medium-term notes	1,300,071	1,344,191
Interest on lease liabilities	32,264	32,479
Less: Amount capitalised in property, plant and equipment	(179,595)	(133,268)
Total finance costs	1,152,740	1,243,402
	Year ended 31 December	
	2024	2023
Capitalisation rate of borrowing costs to expenditure on qualifying assets	2.21%	2.74%

Note: A related non-bank financial institution refers to 京能集團財務有限公司 (BEH Finance Co, Ltd., English name for identification purpose) (“BEH Finance”) which is a subsidiary of BEH and an associate of the Group, under the supervision of the China Banking Regulatory Commission.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

11. INCOME TAX EXPENSE

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Current tax:		
PRC Enterprise Income Tax	819,439	813,535
Other jurisdictions	(25,219)	55,029
	794,220	868,564
Deferred tax:		
Current year	64,687	40,028
Income tax expense	858,907	908,592

PRC Enterprise Income Tax has been generally provided at the applicable Enterprise Income Tax rate of 25% (2023: 25%) on the estimated assessable profits of the group entities established in the PRC for the year ended 31 December 2024.

Under the PRC Enterprise Income Tax law, the preferential tax treatment for encouraged enterprises located in the western PRC and certain industry-oriented tax incentives remain available up to 31 December 2030 when the original preferential tax period expired. Under the enterprise income tax law, the enterprises in encouraged industries in Western China are eligible for a preferential enterprise income tax rate for the period from 1 January 2021 to 31 December 2030. A PRC enterprise which enjoys this tax treatment is entitled to a preferential tax rate of 15% with a three-year tax exemption and a three-year 50% deduction on the PRC Enterprise Income Tax for taxable income commencing from the first year, when relevant projects start to generate revenue. Certain of the Group's wind farm projects, photovoltaic projects and hydropower power projects were entitled to this tax concession for the years ended 31 December 2024 and 2023.

No provision for Hong Kong Profit Tax has been made as the Group has no assessable profit derived in Hong Kong for both years.

11. INCOME TAX EXPENSE (continued)

Australian income tax is calculated at 30% (2023: 30%) on the estimated assessable profit.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Profit before taxation	4,279,802	4,143,795
PRC Enterprise Income Tax at 25% (2023: 25%)	1,069,951	1,035,949
Tax effect on:		
– Expenses not deductible for tax purposes	22,407	36,963
– Share of results of associates and a joint venture	(26,722)	(32,810)
– Tax losses not recognised	144,526	145,281
– Temporary differences not recognised	103,370	74,476
– Utilisation of tax losses not recognised previously	(6,972)	(4,005)
– PRC Enterprise Income Tax exemption and concessions	(453,758)	(357,839)
Effect of different tax rates of group entities operating in jurisdictions other than PRC	6,105	10,577
	858,907	908,592

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

12. PROFIT FOR THE YEAR

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Profit for the year has been arrived at after charging:		
Auditors' remuneration	8,325	9,051
Expense relating to short-term leases	63,389	62,375
Depreciation and amortisation:		
Depreciation of property, plant and equipment	3,332,288	3,460,524
Depreciation of right-of-use assets	98,874	82,536
Amortisation of intangible assets	314,888	309,635
Less: Amount capitalised to construction in progress	(6,380)	(4,809)
Total depreciation and amortisation	3,739,670	3,847,886
Personnel costs:		
Directors' emoluments (Note 13)	7,342	7,261
Other personnel costs	1,492,350	1,346,174
Total personnel costs	1,499,692	1,353,435

13. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS

The emoluments paid or payable to each of the Directors, including executive director, and the supervisors by the Group for the current and prior years are as follows:

Year ended 31 December 2024

	Directors' fees <i>RMB'000</i>	Basic salaries and allowances <i>RMB'000</i>	Discretionary bonus <i>RMB'000</i> <i>(note)</i>	Retirement benefit contributions <i>RMB'000</i>	Cash-settled share-based payment <i>RMB'000</i>	Total <i>RMB'000</i>
Executive directors:						
Mr. ZHANG Fengyang (resigned on 25 April 2024)	-	58	1,058	11	-	1,127
Mr. CHEN Dayu	-	349	1,538	66	280	2,233
Mr. LI Minghui	-	336	1,203	66	263	1,868
Mr. ZHANG Wei	-	298	998	66	252	1,614
	-	1,041	4,797	209	795	6,842
Non-executive directors:						
Mr. ZHOU Jianyu	-	-	-	-	-	-
Mr. SONG Zhiyong	-	-	-	-	-	-
Ms. ZHANG Yi	-	-	-	-	-	-
	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

13. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS (continued)

The emoluments paid or payable to each of the Directors, including executive director, and the supervisors by the Group for the current and prior years are as follows: (continued)

Year ended 31 December 2024 (continued)

	Directors' fees RMB'000	Basic salaries and allowances RMB'000	Discretionary bonus RMB'000 (note)	Retirement benefit contributions RMB'000	Cash-settled share-based payment RMB'000	Total RMB'000
Independent non-executive directors:						
Ms. ZHAO Jie	150	-	-	-	-	150
Mr. WANG Hongxin	100	-	-	-	-	100
Mr. QIN Haiyan	100	-	-	-	-	100
Ms. HU Zhiying	150	-	-	-	-	150
	500	-	-	-	-	500
Supervisors:						
Mr. SUN Li	-	-	-	-	-	-
Mr. WANG Xiangneng (resigned on 29 October 2024)	-	-	-	-	-	-
Ms. QIN Yi	-	394	257	66	-	717
Mr. LIU Guoli (appointment on 19 November 2024)	-	-	-	-	-	-
	-	394	257	66	-	717
	500	1,435	5,054	275	795	8,059

13. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

The emoluments paid or payable to each of the Directors, including executive director, and the supervisors by the Group for the current and prior years are as follows: *(continued)*

Year ended 31 December 2023

	Directors' fees <i>RMB'000</i>	Basic salaries and allowances <i>RMB'000</i>	Discretionary bonus <i>RMB'000</i> <i>(note)</i>	Retirement benefit contributions <i>RMB'000</i>	Total <i>RMB'000</i>
Executive Directors:					
Mr. ZHANG Fengyang	-	344	1,235	63	1,642
Mr. CHEN Dayu	-	344	1,234	63	1,641
Mr. GAO Yuming (resigned on 29 August 2023)	-	293	1,101	63	1,457
Mr. CAO Mansheng (resigned on 29 August 2023)	-	-	212	-	212
Mr. LI Minghui (appointed on 29 August 2023)	-	293	1,000	63	1,356
Mr. ZHANG Wei (appointed on 29 August 2023)	-	221	184	48	453
	-	1,495	4,966	300	6,761
Non-executive Directors:					
Mr. ZHOU Jianyu	-	-	-	-	-
Mr. SONG Zhiyong	-	-	-	-	-
Ms. ZHANG Yi	-	-	-	-	-
	-	-	-	-	-

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

	Directors' fees <i>RMB'000</i>	Basic salaries and allowances <i>RMB'000</i>	Discretionary bonus <i>RMB'000</i> <i>(note)</i>	Retirement benefit contributions <i>RMB'000</i>	Total <i>RMB'000</i>
Independent Non-executive Directors:					
Mr. HUANG Xiang (resigned on 29 August 2023)	100	-	-	-	100
Mr. CHAN Yin Tsung (resigned on 29 August 2023)	100	-	-	-	100
Mr. XU Daping (resigned on 29 August 2023)	67	-	-	-	67
Ms. ZHAO Jie	117	-	-	-	117Daping (resiappointn

13. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

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

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

The supervisors' emoluments shown above were mainly for their services as supervisors of the Company.

Mr. Chen Dayu is the chief executive of the Company since 25 April 2024. His emoluments disclosed above include those for services rendered by him as the chief executive.

During the year, the Directors' emoluments were RMB7,342,000 (2023: RMB7,261,000). Also, all non-executive directors did not receive any remuneration from the Company and the Group for their services provided to the Company and the Group during both years. They were also management of BEH and their remunerations were paid by BEH over the respective years. Given the amounts of emoluments paid by BEH to them are considered to be not material compared with the revenue and profits of the Group, BEH did not allocate any of their remuneration to the Group.

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three director (2023: three) director whose emoluments are reflected in the analysis shown above. Details of the remuneration for the year of the remaining two (2023: two) highest paid individuals who are not Directors are as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Basic salaries and allowances	671	668
Discretionary bonus <i>(note)</i>	2,761	2,117
Retirement benefit contributions	133	126
Cash-settled share-based payment	505	–
	4,070	2,911

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

13. DIRECTORS', SUPERVISORS' AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS *(continued)*

The remuneration of each of the remaining two (2023: two) highest paid individuals in the Group who are not the directors of the Company for the both years fell within the band of HK\$2,000,001-HK\$2,500,000 (2023: HK\$1,500,001-HK\$2,000,000).

Note: The discretionary bonus for both years were determined by the remuneration committee of the Company, with reference to the operating results of the Group and individual performance during the years ended 31 December 2024 and 2023 respectively in accordance with the relevant human resources policies.

During the year, no emoluments were paid by the Group to the Directors, executive director or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices. None of the Directors waived any emoluments during both years.

14. DIVIDENDS

- (a) A final dividend of RMB13.98 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2023 amounting to RMB1,152,582,000 was approved in the Company's annual general meeting held on 26 June 2024 and subsequently paid on 31 July 2024.
- (b) A final dividend of RMB12.02 cents per ordinary share (tax inclusive) in respect of the year ended 31 December 2022 amounting to RMB990,990,000 was approved in the Company's annual general meeting held on 29 June 2023 and subsequently paid on 4 August 2023.
- (c) Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB14.30 cents per ordinary share (tax inclusive), totaling RMB1,178,964,000 has been proposed by the board of directors and is subject to approval by shareholders of the Company at the forthcoming annual general meeting.

15. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to ordinary shareholders of the Company is based on the following data:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Earnings		
Profit for the year attributable to ordinary shareholders of the Company for the purpose of earnings per share	3,245,045	3,057,641
	Year ended 31 December	
	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	8,244,508	8,244,508

Diluted earnings per share are presented as the same as the basic earnings per share as there were no potential ordinary shares in issue during both years.

Notes to the Consolidated Financial Statements

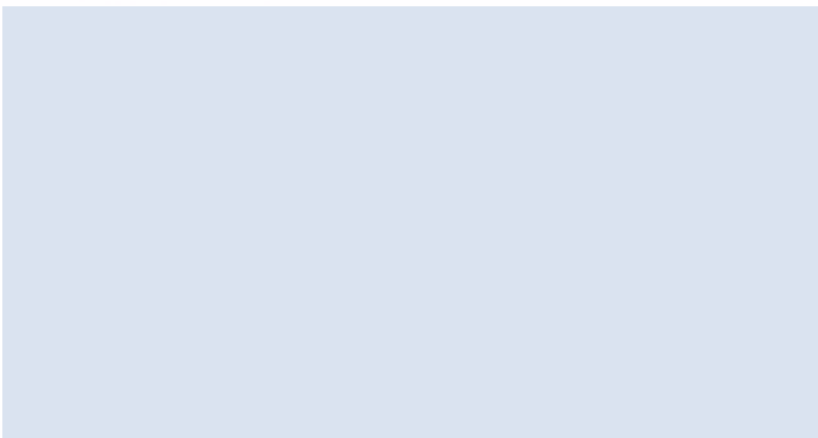
FOR THE YEAR ENDED 31 DECEMBER 2024

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RMB'000	Generators and related equipment RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At 1 January 2023	9,016,141	62,215,620	100,139	167,167	6,559,780	78,058,847
Additions	24,532	18,389	3,785	12,099	7,384,162	7,442,967
Adjustments (note (b))	-	(62,451)	-	2,483	-	(59,968)
Transfer	239,788	2,823,618	-	9,485	(3,072,891)	-
Acquired on acquisition of subsidiaries (Note 43)	18,058	676,551	1,086	25,048	41,956	762,699
Disposals	(7,146)	(97,178)	(5,031)	(21,884)	-	(131,239)
Effect of foreign currency exchange differences	349	85,825	13	12	-	86,199
At 31 December 2023	9,291,722	65,660,374	99,992	194,410	10,913,007	86,159,505
Additions	8,328	9,938	5,747	37,852	6,621,675	6,683,540
Adjustments (note (b))	47,180	(43,576)	250	3,869	-	7,723
Transfer	1,377,299	9,566,524	16,211	33,242	(10,993,276)	-
Acquired on acquisition of subsidiaries (Note 43)	7,192	368,166	188	-	1,432	376,978
Disposals	(405,733)	(247,673)	(5,094)	(6,638)	-	(665,138)
Effect of foreign currency exchange differences	(9,184)	(200,546)	(33)	(249)	-	(210,012)
At 31 December 2024	10,316,804	75,113,207	117,261	262,486	6,542,838	92,352,596



Land and buildings <i>RMB'000</i>	Generators and related equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Office equipment <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

16. PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

- (a) The above items of property, plant and equipment, other than construction in progress, are depreciated using the straight-line method, after taking into account of their residual values, at the following rates per annum.

	Year ended 31 December	
	2024 (Note 4)	2023
Land and buildings	1.73% to 4.75%	2.11% to 4.75%
Generators and related equipment	2.71% to 9.50%	3.17% to 7.92%
Motor vehicles	6.79% to 15.83%	9.50% to 18.83%
Office equipment	9.50% to 19.00%	11.00% to 19.00%

- (b) The Directors estimate the final construction cost of certain assets when the assets are ready for use and transferred from construction in progress to respective categories of property, plant and equipment. Adjustments on the final cost will be made in the subsequent periods when the construction cost is finalised with the contractors.
- (c) The Group was in the process of applying for the title certificates of certain buildings with an aggregate net book value of RMB706,389,000 as at 31 December 2024 (2023: RMB1,087,814,000). The Directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The Directors are also of the opinion that the aforesaid matter did not have any significant impact on the Group's consolidated financial position as at 31 December 2024.
- (d) Certain property, plant and equipment with an aggregate carrying amount of RMB2,241,709,000 as at 31 December 2024 (2023: RMB2,489,779,000) are pledged to secure bank borrowings of the Group.
- (e) During the year ended 31 December 2023, due to two generators at 四川眾能電力有限公司 (Sichuan Zhongneng Power Co., Ltd., English name for identification purpose) ("Sichuan Zhongneng") were stopped from power generation as detailed in Note 20 (ii), the Group recognised impairment losses amounting to RMB71,208,000 on certain property, plant and equipment in relation to electricity generating business of Sichuan Zhongneng, and the related assets are within the Hydropower segment of the Group. The recoverable amount of the related property, plant and equipment, which is the higher of fair value less costs of disposal and value in use, has been determined based on fair value less costs of disposal by reference to the market price of similar assets.

During the year ended 31 December 2023, taking into consideration that the economic performance of the assets of 葫蘆島南票京泰新能源有限公司 (Huludao Nanpiao Jingtai Jingneng New Energy Co., Ltd.) ("Nanpiao Jingtai") and 北票京泰新能源有限公司 (Beipiao Jingneng New Energy Co., Ltd.) ("Beipiao Jingneng") will be worse than expected, the Group recognised impairment losses amounting to RMB156,388,000 on the generators and related equipment and construction in progress attribute to Nanpiao Jingtai and Beipiao Jingneng, and the related CGU is within the Photovoltaic power segment of the Group. The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a pre-tax discount rate is 8.86% as at 31 December 2023. The cash flows beyond the five-year period are extrapolated using a zero growth rate. The key assumptions adopted in the value in use calculation relate to the estimated generating capacity and price of electricity.

17. RIGHT-OF-USE ASSETS

	Leasehold lands	
	<i>RMB'000</i>	
As at 31 December 2024 Carrying amount	2,121,278	
As at 31 December 2023 Carrying amount	2,010,652	
For the year ended 31 December 2024 Depreciation charge	98,874	
For the year ended 31 December 2023 Depreciation charge	82,536	
	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Expense relating to short-term leases	63,389	62,375
Additions to right-of-use assets	172,852	528,997
Acquisition of subsidiaries (<i>Note 43</i>)	36,648	108,288
Total cash outflow for leases	142,469	389,147

The Group leases lands for its operations. Lease contracts are entered into for fixed term of 3 to 30 years (2023: 3 to 30 years). 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.

The short-term leases for lands are regularly entered into by the Group, and the outstanding lease commitments relating to these lands is RMB44,391,000 as at 31 December 2024 (2023: RMB47,262,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

18. INTANGIBLE ASSETS

	Concession rights <i>RMB'000</i> <i>(note (b))</i>	Operation rights <i>RMB'000</i> <i>(note (c))</i>	Software <i>RMB'000</i>	Total <i>RMB'000</i>
COST				
At 1 January 2023	4,022,154	3,217,603	405,817	7,645,574
Additions	–	–	18,817	18,817
Acquired on acquisition of subsidiaries (<i>Note 43</i>)	–	304,131	–	304,131
Disposals	–	–	(6,802)	(6,802)
At 31 December 2023	4,022,154	3,521,734	417,832	7,961,720
Additions	–	–	32,332	32,332
Acquired on acquisition of subsidiaries (<i>Note 43</i>)	–	34,972	–	34,972
Disposals	–	–	(3,340)	(3,340)
At 31 December 2024	4,022,154	3,556,706	446,824	8,025,684
AMORTISATION AND IMPAIRMENT				
At 1 January 2023	2,328,264	538,708	120,741	2,987,713
Amortisation provided for the year	164,411	127,335	17,889	309,635
Impairment loss recognised in profit or loss (<i>Note (20)</i>)	–	85,193	–	85,193
Disposals	–	–	(1,956)	(1,956)
At 31 December 2023	2,492,675	751,236	136,674	3,380,585
Amortisation provided for the year	164,411	132,974	17,503	314,888
Impairment loss recognised in profit or loss (<i>Note (20)</i>)	–	403,363	–	403,363
Disposals	–	–	(268)	(268)
At 31 December 2024	2,657,086	1,287,573	153,909	4,098,568
CARRYING VALUES				
At 31 December 2024	1,365,068	2,269,133	292,915	3,927,116
At 31 December 2023	1,529,479	2,770,498	281,158	4,581,135

18. INTANGIBLE ASSETS (continued)

Notes:

- (a) Intangible assets have finite useful lives and are amortised on a straight-line basis over the following rates per annum:
- | | |
|-------------------|------------|
| Concession rights | 4% to 5% |
| Operation rights | 2% to 10% |
| Software | 10% to 50% |
- (b) The Group provides construction services to build up the wind power facilities and generates electricity under the concession rights. The Group recognises the concession rights as intangible assets according to the fair value of the construction services on related assets. These concession rights are amortised according to the respective beneficial periods.
- (c) Operation rights with finite useful lives represent governmental permits or contractual arrangements which grant the operators to construct and operate power facilities. Those operation rights are obtained through business acquisition and amortised on straight-line basis according to the estimated beneficial periods of such facilities.

19. GOODWILL

	At 31 December	
	2024 RMB'000	2023 RMB'000
Cost		
Hydropower operation in Sichuan province, the PRC	124,194	124,194
Wind power operation in Australia	65,855	65,855
	190,049	190,049
Impairment		
Hydropower operation in Sichuan province, the PRC	(124,194)	(124,194)
Carrying Values		
Wind power operation in Australia	65,855	65,855

Goodwill of the Group arises from the acquisition of 四川大川電力有限公司 (Sichuan Dachuan Power Co., Ltd., English name for identification purpose) ("Sichuan Dachuan"), Sichuan Zhongneng and New Gullen Range Wind Farm (Holding) Pty Ltd. ("New GRWF Holding").

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

20. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

For the purposes of impairment testing, goodwill set out in Note 19 has been allocated into two CGUs: (i) New GRWF Holding in the wind power segment (“Wind Power CGU”); and (ii) one comprising two subsidiaries in the hydropower segment, namely, Sichuan Dachuan and Sichuan Zhongneng (“Hydropower CGU”).

(i) Impairment test on goodwill in Wind Power segment

During the years ended 31 December 2024 and 2023, the management of the Group determines that there is no impairment of goodwill contained in the Wind Power CGU.

The basis of the recoverable amount of the Wind Power CGU and their major underlying assumptions are summarised below:

The recoverable amount of the unit have been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period, and pre-tax discount rate of 9.40% for Wind Power CGU (2023: 9.29%). The Wind Power CGU’s cash flows beyond the five-year period are extrapolated using a 2.50% (2023: 2.00%) growth rate. These growth rate is based on the relevant industry growth forecasts and do not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the Wind Power CGU’s past performance and management’s expectations for the market development.

The management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the Wind Power CGU to exceed the aggregate recoverable amount of the Wind Power CGU.



20. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (continued)

(ii) Impairment test on goodwill and intangible assets in Hydropower segment

In October 2024, four generators of Sichuan Dachuan were stopped from power generation pursuant to the notice from local government. Accordingly, the management performed impairment assessment for the underlying operation rights related to the above four generators by determining the recoverable amounts of the Hydropower CGU to which these operation rights belong. Based on the result of the assessment, management of the Group determined that the recoverable amount of the CGU is lower than the carrying amount. Impairment loss for operation rights (recognised as intangible assets) directly related to Hydropower CGU amounting to RMB403,363,000 were recognised based on impairment tests (Note 18) and the carrying amount of these operation rights included in intangible assets is RMB370,796,000, net of impairment losses recognised during the year. The impairment loss of operation rights had been included in profit or loss in the other gains and losses line item (Note 9). The recoverable amount of the CGU amounted to RMB557,484,000 as at 31 December 2024.

The recoverable amount of Hydropower CGU has been determined based on a value in use calculation using cash flow projections based on a financial budget covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 8.74% (2023: 7.83%). The cash flows beyond the five-year period are extrapolated using a zero growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the CGU's past performance and management's expectations for the market development.

During the year ended 31 December 2023, pursuant to the Notice to Clean-up and Withdrawal of Small Hydropower issued by Chengdu Municipal Commission of Development and Reform, two generators of Sichuan Zhongneng were stopped from power generation during 2023. Impairment loss for goodwill directly related to Hydropower CGU amounting to RMB48,279,000 and impairment loss for operation rights (recognised as intangible assets) amounting to RMB85,193,000 were recognised based on impairment tests (Note 18). The impairment loss of goodwill and operation rights had been included in profit or loss in the other gains and losses line item (Note 9). The recoverable amount of the CGU amounted to RMB1,218,756,000 as at 31 December 2023.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

21. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE

(a) Investments in associates

	At 31 December	
	2024 RMB'000	2023 RMB'000
Unlisted equity investments, at cost	1,422,805	1,393,305
Share of post-acquisition profits and other comprehensive income, net of dividend declared	190,396	158,056
	1,613,201	1,551,361

The associates of the Group were established and operated in the PRC. The details of associates of the Group as at 31 December 2024 and 2023 are set out below:

Name of associates	Paid up registered capital	Equity interest attributable to the Group		Proportion of voting rights held by the Group		Principal activities
		At 31 December 2024	2023	At 31 December 2024	2023	
BEH Finance (note (i))	RMB5,000,000,000	20%	20%	20%	20%	Deposits, loans and other financial services
全州柳鋪水電有限公司 (Quanzhou Liupu Hydropower Co., Ltd.)* ("Quanzhou Liupu")	RMB25,000,000	40%	40%	40%	40%	Hydropower project development and investment
宜昌中基天然氣利用有限公司 (Yichang Zhongji natural gas utilization Co., Ltd.)* ("Yichang Zhongji")	RMB38,020,000	49%	49%	49%	49%	Gas sales
汕頭海上風電電力有限公司 (Shantou Offshore Wind Power Co., Ltd.)*	RMB21,500,000	43%	–	43%	–	Wind power project development and investment
廣西北投全新能源有限公司 (Guangxi Beitou All New Energy Co., Ltd.)*	RMB8,000,000	30%	–	30%	–	Wind power project development and investment

* English name for identification purpose.

21. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE *(continued)*

(a) Investments in associates *(continued)*

Note:

- i. BEH Finance is a non-banking financial institution approved by the relevant PRC authorities to engage in the provision of various financial services, including taking deposit and providing loans, and is primarily providing financial services to BEH and its subsidiaries.

(b) Loans to an associate

	At 31 December	
	2024 RMB'000	2023 RMB'000
Loans to an associate	38,000	40,000

As at 31 December 2024 and 2023, the loans to an associate represent loan to Quanzhou Liupu. All of the loans are unsecured and carry interest at the prevailing interest rates promulgated by the People's Bank of China (the "PBOC") per annum. As at 31 December 2024, the loans were originally to be repaid on 27 June 2025 and the directors are of the opinion that repayment dates of the above loans will be renewed to 27 June 2026 upon maturity and the amount is classified as non-current assets accordingly.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

21. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE *(continued)*

(c) Summarised financial information of a material associate

Summarised financial information in respect of the Group's a material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs. The associate is accounted for using the equity method in the consolidated financial statements.

BEH Finance	At 31 December	
	2024 RMB'000	2023 RMB'000
Non-current assets	29,173,156	26,785,735
Current assets	17,502,826	20,238,998
Non-current liabilities	16,761	21,076
Current liabilities	39,029,217	39,525,025
	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Revenue	1,016,422	958,921
Profit for the year	581,588	551,552
Dividends received from the associate during the year	86,043	89,249

21. INVESTMENTS IN ASSOCIATES/LOANS TO AN ASSOCIATE *(continued)*

(c) Summarised financial information of a material associate *(continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	At 31 December	
	2024 RMB'000	2023 RMB'000
Net assets of BEH Finance	7,630,004	7,478,632
Proportion of the Group's ownership interest in BEH Finance	20%	20%
Group's share of net assets of BEH Finance	1,526,001	1,495,726
Carrying amount of the Group's interest in BEH Finance	1,526,001	1,495,726

(d) Aggregate information of associates that are not individually material:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Cost injection of investment in an associate	29,500	–
Group's share of profit and total comprehensive income for the year	3,105	6,363
Dividends received from an associate during the year	1,040	107
Less: carrying amount of the investment in associate disposed	–	(45,498)
Aggregate carrying amount of the Group's interests in these associates	87,200	55,635

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

22. INVESTMENT IN A JOINT VENTURE/LOANS TO A JOINT VENTURE

(a) Investment in a joint venture

	At 31 December	
	2024 RMB'000	2023 RMB'000
Unlisted equity investment, at cost	152,500	152,500
Share of post-acquisition loss	(88,782)	(76,245)
	63,718	76,255

The joint venture of the Group was established and operates in the PRC. The details of the joint venture as at 31 December 2024 and 2023 are set out below:

Name of the joint venture	Paid up registered capital	Equity interest attributable to the Group		Proportion of voting rights held by the Group		Principal activity
		At 31 December		At 31 December		
		2024	2023	2024	2023	
北京華源惠眾環保科技有 限公司 (Beijing Huayuan Huizhong Environmental Protection Technology Co., Ltd., English name for identification purpose)	RMB160,000,000	50%	50%	50%	50%	Environment protection technology

(b) Loans to a joint venture

	At 31 December	
	2024 RMB'000	2023 RMB'000
Loans to a joint venture	70,000	70,000

As at 31 December 2024 and 2023, the loans to a joint venture are unsecured, carried interest at the prevailing interest rate promulgated by the PBOC per annum. The loans were originally to be repaid on 17 January 2024. As at 31 December 2024, the directors are of the opinion that repayment dates of the above loans will be renewed to 17 January 2026 upon maturity and the amount is classified as non-current assets accordingly.

23. DEFERRED TAXATION

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

	At 31 December	
	2024 RMB'000	2023 RMB'000
Deferred tax assets	213,113	254,107
Deferred tax liabilities	(406,197)	(388,905)
	(193,084)	(134,798)

Details of tax losses and temporary differences not recognised are set out below:

	At 31 December	
	2024 RMB'000	2023 RMB'000
Tax losses	2,220,466	1,941,700
Temporary differences	980,799	638,527
	3,201,265	2,580,227

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

23. DEFERRED TAXATION *(continued)*

The Group has not recognised deferred tax assets on above tax losses and temporary differences because it is not probable that the future taxable profits will be available in relevant subsidiaries to offset the tax losses.

As at 31 December 2024, included in the above tax losses are tax losses in Hong Kong of RMB32,557,000 (2023: RMB40,706,000), which can be carried forward against future taxable income and have no expiry date.

The remaining unrecognised tax losses will expire as follows:

	At 31 December	
	2024 RMB'000	2023 RMB'000
2024	–	269,856
2025	246,347	250,304
2026	343,694	351,527
2027	442,009	448,230
2028	577,755	581,077
2029	578,104	–
	2,187,909	1,900,994

23. DEFERRED TAXATION (continued)

The following are the Group's major deferred tax assets (liabilities) recognised and movements thereon during the years ended 31 December 2024 and 2023:

	Impairment loss of financial assets of subsidiaries	Temporary differences on fair value adjustments in acquisition of subsidiaries	Fair value change of equity instrument at FVTOCI	Trial run profit	Deferred income related to clean energy production	Different depreciation rate	Trial run loss	Fair value change of financial asset at FVTPL	Derivative financial instruments	Right-of-use assets	Lease liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note (b))	(note (b))	(note (a))	(note (a))	(note (a))	(note (a))	(note (a))	(note (a))	(note (a))	(note (a))	(note (a))	(note (a))	(note (a))
At 1 January 2023	3,811	21,013	(121,530)	(6,151)	107,524	236	(114,920)	(34,379)	18,907	23,504	132,215	31,790	(75,910)
(Charge) credit to profit or loss (Note 11)	(3,811)	(7,219)	4,413	-	(7,063)	22,870	(29,205)	4,683	(3,729)	(9,656)	51,575	(3,030)	(40,028)
Credit to other comprehensive income	-	-	-	34	-	-	-	-	-	6,383	-	-	6,417
Acquisition of subsidiaries (Note 43)	-	100	(22,026)	-	-	-	-	-	-	-	-	-	(21,926)
Exchange adjustments	-	-	-	-	-	-	(4,220)	-	250	896	2,068	(88)	(3,351)
At 31 December 2023	-	13,894	(139,143)	(6,117)	100,461	23,106	(148,345)	(29,696)	15,428	21,127	185,858	28,672	(134,798)
Credit (charge) to profit or loss (Note 11)	-	-	5,455	-	(4,532)	(23,106)	(21,663)	4,054	(16,866)	(24,630)	26,610	8,663	(64,687)
Charge to other comprehensive income	-	-	-	(3,375)	-	-	-	-	-	(199)	-	-	(3,574)
Acquisition of subsidiaries (Note 43)	-	-	(3,411)	-	-	-	-	-	-	-	-	205	(3,206)
Exchange adjustments	-	-	-	-	-	-	8,764	-	73	2,047	(4,937)	2,174	13,181
At 31 December 2024	-	13,894	(137,099)	(9,492)	95,929	-	(161,244)	(25,642)	(1,365)	(1,655)	207,531	39,714	(193,084)

Notes:

- (a) Government subsidies are taxable immediately as taxable income upon the receipt, however the income can only be released from deferred income in accounting when the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities. Accordingly, the deferred tax assets are recognised.
- (b) The carrying amount of certain property, plant and equipment and intangible assets was different from their tax bases as a result of the fair value exceeding the book value in connection with the business combinations.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

26. TRADE AND BILLS RECEIVABLES

	At 31 December	
	2024 RMB'000	2023 RMB'000
Trade receivables		
– goods and services	2,857,184	1,075,919
– clean energy power price premium	11,197,931	9,872,594
Bills receivable	4,481	5,954
	14,059,596	10,954,467
Less: Allowance for credit losses	(42,690)	(32,573)
	14,016,906	10,921,894

The Group allows a credit period of 60 days to its customers of electricity and heat sales from the end of the month in which the sales are made except for clean energy power price premium. The aged analysis of the Group's trade and bills receivables, net of allowance for credit losses, presented based on the invoice dates are as follows:

	At 31 December	
	2024 RMB'000	2023 RMB'000
Within 60 days	2,957,793	1,196,757
61 to 365 days	2,506,582	2,989,674
1 to 2 years	3,211,951	2,667,131
2 to 3 years	2,396,370	1,972,028
Over 3 years	2,944,210	2,096,304
	14,016,906	10,921,894

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

26. TRADE AND BILLS RECEIVABLES (*continued*)

The Group's major customers are the PRC state-owned power grid companies with good credit rating.

The clean energy power price premium is included as a component of the government-approved on-grid tariff of wind power and photovoltaic power. As at 31 December 2024, most of the operating projects have been approved for the tariff premium and certain projects are in the process of applying for the approval. The Directors are of the opinion that the approvals will be obtained in due course and the tariff premium receivables are fully recoverable considering that there are no bad debt experiences with the power grid companies in the past and the tariff premium is funded by the PRC government.

The Group applies the simplified approach to the provision for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for trade receivables. To measure the expected credit loss of trade receivables excluding tariff premium receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing.

As at 31 December 2024, included in the Group's trade receivables balance for goods and services are debtors with aggregate carrying amount of RMB187,704,000 (2023: RMB174,834,000) which are past due as at the reporting date.

At 31 December 2024, trade receivables amounting to RMB2,897,713,000 (2023: 2,512,043,000) are pledged for bank borrowings set out in Notes 34(e) and 45.

Bills receivable are mainly bank's acceptance bills endorsed by the PRC state-owned power grid companies.

During the year ended 31 December 2024, trade receivables amounted to RMB1,610,136,000 (2023: RMB4,048,889,000) had been factored or transferred through asset-backed securities to independent third parties without recourse. In the opinion of the Directors, the Group had derecognised these trade receivables entirely, the Group has transferred substantially all the risks and rewards of ownership of these trade receivables to the counterparties. All related proceeds were received in 2024 and related losses recognised from the transfer activities amounted to RMB110,136,000 (2023: RMB148,877,000) was recognised in other gains and losses.

Details of impairment assessment of trade and bills receivables are set out in Note 49(b).

27. FINANCE LEASE RECEIVABLES

The Group entered into finance lease arrangements as a lessor for equipment, properties. The average terms of finance leases entered into usually range from 2 to 10 years. All interest rates inherent in the leases are fixed at the contract date over the lease terms.

The majority of lease contracts are with guaranteed residual values.

	Minimum lease payments 31/12/2024 RMB'000	Present value of minimum lease payments 31/12/2024 RMB'000	Minimum lease payments 31/12/2023 RMB'000	Present value of minimum lease payment 31/12/2023 RMB'000
Finance lease receivables comprise:				
Within one year	124,668	83,079	463,777	434,920
In the second year	417,478	383,882	58,155	39,079
In the third year	99,571	73,332		

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

27. FINANCE LEASE RECEIVABLES (*continued*)

Receivables for finance lease services arose from finance lease contracts to lease plant and machinery to customers and were recognised to the extent that the Group has the right to collect rental income from customers. Interest rates implicit in the above finance leases range from 2.64% to 5.22% (2023: 2.99 % to 5.21%).

Finance lease receivables are secured over the plant and machinery leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

As at 31 December 2023, the Group's finance lease receivables amounting to RMB309,721,000 were pledged to secure certain of the Group's bank loans (Note 45).

Details of impairment assessment are set out in Note 49(b).

28. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 31 December	
	2024 RMB'000	2023 RMB'000
Other miscellaneous receivables	393,276	229,616
Security deposits	274,740	310,226
Prepayments	226,623	156,981
Less: Allowance for credit losses	(19,745)	(19,745)
	874,894	677,078

Detail of impairment assessment of other receivables and deposits are set out in Note 49(b).

29. VALUE-ADDED TAX RECOVERABLE

	At 31 December	
	2024 RMB'000	2023 RMB'000
Value-added tax recoverable, classified as:		
– Current	577,186	606,726
– Non-current	1,812,205	1,567,739
	2,389,391	2,174,465

In accordance with the Provisional Regulations of the People's Republic of China on Value-Added Tax, the value-added tax payable on the Group's revenue can be set off by the value-added tax paid by the Group on acquisition of property, plant and equipment and service concession assets. Accordingly, the value-added tax paid by the Group on acquisition of property, plant and equipment and service concession assets is recognised as value-added tax recoverable and will be set off against the Group's value-added tax payable to be arisen on future revenue. Value-added tax recoverable is classified as current if it would probably be set off by value-added tax payable related to the revenue incurred in the next twelve months.

30. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 December	
	2024 RMB'000	2023 RMB'000
Listed equity investment		
– Listed in Hong Kong (<i>note</i>)	335,573	257,853

Note:

The Group holds 0.26% (2023: 0.28%) of the ordinary share capital of CGN Power Co., Ltd, a company listed on the Stock Exchange and the Shenzhen Stock Exchange which engaged in the nuclear power generation.

The fair value of listed equity investment is based on the quoted bid price.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

31. RESTRICTED BANK DEPOSITS

	At 31 December	
	2024 RMB'000	2023 RMB'000
Restricted bank deposits pledged as collateral presented in the consolidated financial statements as:		
– Current	45,661	3,781
– Non-current	46,807	69,274
	92,468	73,055

At 31 December 2024 and 2023, the restricted bank deposits mainly represented collaterals for property, plant and equipment and the guaranteed deposits for a bank loan as required in the loan agreement.

At 31 December 2024 and 2023, restricted bank deposits above carry variable prevailing interest rates of bank deposits placed in the PRC and Australia.

32. CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents comprise cash on hand, deposits to banks, a related non-bank financial institution with an original maturity of three months or less and short-time deposits depending on the immediate cash requirements of the Group.

	At 31 December	
	2024 RMB'000	2023 RMB'000
Bank deposits denominated in:		
– RMB	220,595	214,207
– HK\$	88,226	46,931
– AU\$	386,400	193,682
– United States dollars (“US\$”)	5,851	67,006
Deposits in a related non-bank financial institution denominated in RMB	6,472,948	5,692,263
Short-time deposits denominated in AU\$	227,603	390,997
	7,401,623	6,605,086

The Group had certain amount of deposits placed with BEH Finance, a non-bank financial institution approved by China Banking and Insurance Regulatory Commission as at 31 December 2024 and 2023. Such deposits are short-term and are subject to an insignificant risk of changes in value, accordingly, the balances had been regarded as cash and cash equivalents.

Deposits to banks and a related non-bank financial institution carry prevailing market interest rate, short-time deposits earn interest at the respective term time deposit rates. The deposits in banks and a related non-bank financial institution at the end of the reporting period carry interest at the following variable interest rates per annum:

	At 31 December	
	2024	2023
Range of interest rates per annum	0.01% to 1.45%	0.01% to 1.45%

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

33. TRADE AND OTHER PAYABLES

	At 31 December	
	2024 RMB'000	2023 RMB'000
Trade payables	2,467,597	2,643,206
Payables for acquisition of property, plant and equipment	3,206,406	2,703,750
Retention payables	312,321	290,049
Bills payable	50,000	40,000
Salary and staff welfares	122,671	110,339
Non-income tax payables	270,529	308,641
Others	354,593	595,871
	6,784,117	6,691,856

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Group normally settles the trade payable related to gas purchase within 30 days, settles the payable related to equipment purchase and construction cost according to related contractual arrangements which normally require progress payments during the construction period and a final payment after construction cost verified by independent valuer.

The following is an aged analysis of the Group's trade and bills payables by invoice dates as at the reporting date:

	At 31 December	
	2024 RMB'000	2023 RMB'000
Within 30 days	1,792,715	1,487,310
31 to 365 days	322,290	989,698
1 to 2 years	380,124	106,638
2 to 3 years	22,298	37,116
Over 3 years	170	62,444
	2,517,597	2,683,206

The Group's trade payables were all denominated in the functional currency.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

34. BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) Other borrowings from a related non-bank financial institution represented loans from BEH Finance, a subsidiary of BEH, also an associate of the Group. The loans from BEH Finance amounting to RMB7,505,600,000 (2023: RMB5,923,850,000) are unsecured, carry interest at rates that are the prevailing interest rates promulgated by the PBOC per annum, ranges between 2.30% and 3.75%. The loan amounting to RMB5,537,300,000 (2023: RMB4,187,350,000) is repayable in 2025 (2023: in 2024), and the remaining balance of RMB1,968,300,000 (2023: RMB1,736,500,000) is repayable between 2026 and 2029 (2023: 2025 and 2028). The interest expense attributed to the loans from BEH Finance above were RMB135,797,000 for the year ended 31 December 2024 (2023: RMB114,344,000).
- (b) At 31 December 2024, the balance amounting to RMB219,606,000 (2023: RMB223,800,000) are the borrowings from 北京京能融資租賃有限公司 (Beijing Jingneng Financial Leasing Co., Ltd., English name for identification purpose, formerly known as Beijing Jingneng Yuanshen Financial Leasing Co., Ltd.) ("Beijing Leasing"), a subsidiary of BEH, pledged by property, plant and equipment, repayable between 2025 to 2033, carrying a fixed interest rate at 4.10% per annum.

The interest expense attributed to the loans above was RMB7,258,000 for the year ended 31 December 2024 (2023: RMB8,468,000).

- (c) The balance borrowings from an independent financial institution. As at 31 December 2024, the borrowings were:

The loans of RMB310,000,000 (2023: RMB310,000,000) in nominal amount were from 中國農發重點建設基金有限公司 (China Agricultural Development Fund Co., Ltd., English name for identification purpose) ("CAD Fund"). According to the agreements between 北京上莊燃氣熱電有限公司 (Beijing Shangzhuang Gas-fired Power Co., Ltd., English name for identification purpose) ("Shangzhuang Power"), a subsidiary of the Company, the Company and CAD Fund, the loans were provided by CAD Fund as capital injection to Shangzhuang Power ("Designated Capital Loan"). Upon receipt of the Designated Capital Loan, the Group and CAD Fund held 60.03% and 39.97% (2023: 60.03% and 39.97%) interests in Shangzhuang Power, respectively.

In the opinion of the Directors, the Designated Capital Loan is designated by certain government institutions to finance the construction of the gas-fired plant owned by Shangzhuang Power; and the relevant investment agreement required: (i) the Company is obliged to repurchased all shares of Shangzhuang Power issued to CAD Fund with a cash consideration of RMB110,000,000 on 19 November 2025, RMB100,000,000 on 2 March 2026, and RMB100,000,000 on 6 June 2026; (ii) CAD Fund does not have any influence over Shangzhuang Power or undertake any risk of investment, but only entitled to a fixed interest rate at 1.2% per annum which should be paid quarterly during the ten years of investment period. In the opinion of the Directors, the arrangement is in substance a financing arrangement from the government. The Group classified the above Designated Capital Loan as a financial liability, and continues to consolidate all results as if Shangzhuang power is a wholly-owned subsidiary of the Company.

The Designated Capital Loan is initially measured at its fair value of RMB221,000,000 at an effective interest rate of 4.90% per annum. The benefit derived from such loan of RMB89,000,000 (Note 38) that represents the difference between the proceeds and the fair value of the loan on initial recognition, is recognised as deferred income and will be recognised in profit or loss on the same basis as depreciation for the related plant. As at 31 December 2024, the Designated Capital Loan balance is RMB221,000,000 (2023: RMB221,000,000) which is measured at amortised cost using the effective interest method.

34. BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

- (d) As at 31 December 2024, the loans are unsecured, carry a fixed interest rate at 3.65% per annum amounting to RMB130,000,000 will be repayable in 2025 and 2.76% per annum amounting to RMB10,000,000 will be repayable between 2025 to 2026, the remaining RMB191,000,000 carry a fixed interest rates at 2.76% annum and would be repayable in 2027.

As at 31 December 2023, the loans are unsecured, carry a fixed interest rate at 3.85% per annum amounting to RMB286,760,000 and 2.73% per annum amounting to RMB400,000,000 would be repayable between 2024 to 2026.

The interest expenses attributed to the above loans were RMB14,052,000 for the year ended 31 December 2024 (2023: RMB27,458,000).

- (e) Besides certain property, plant and equipment pledged to secure bank borrowings as set out in Note 16, the Group's borrowings are secured by following assets:

(i) As at 31 December 2024, certain of the Group's secured borrowings were secured with a charge over the right to receive the wind power electricity sale proceeds in seventeen (2023: sixteen) subsidiaries and the right to receive the principal and interest on lease arrangements.

(ii) The New GRWF and Gullen Solar Pty Ltd.'s syndicated loan, amounting to AU\$ 61,402,000 (2023: AU\$93,569,000), equivalent to RMB277,566,000 (2023: RMB438,755,000) is secured by the beneficial interest of the properties and pledged by the shares of New GRWF and Gullen Solar Pty Ltd.. The syndicated loan carries at floating interest rate at Bank Bill Bid Rate prevailing in Australia plus 1.80% (2023: 1.80%) per annum and repayable in 2025. The Group enters into interest rate swaps to exchange variable rate interest for fixed rate interest in order to hedge against the cash flow interest rate risk (Note 37).

(iii) As at 31 December 2024, the Company's loans amounting to RMB405,790,000 and RMB153,480,000 (2023: RMB505,790,000 and RMB183,480,000) are pledged by the shares of 寧夏博陽新能源有限公司 (Ningxia Boyang new energy Co., Ltd., English name for identification purpose) ("Ningxia Boyang") and 寧夏愷陽新能源有限公司 (Ningxia Kaiyang new energy Co., Ltd., English name for identification purpose) ("Ningxia Kaiyang") respectively, carrying a fixed rate at 3.30% per annum and repayable between 2025 and 2028.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

34. BANK AND OTHER BORROWINGS (*continued*)

The following is an analysis of the Group's bank and other borrowings by variable and fixed interest rate:

	At 31 December	
	2024 RMB'000	2023 RMB'000
Variable interest rate	31,817,331	28,029,028
Fixed interest rate	8,145,242	9,863,787
	39,962,573	37,892,815

	At 31 December	
	2024	2023
Range of interest rates per annum:		
– Variable-interest borrowings	1.70% to 3.75%	1.91% to 4.99%
– Fixed-interest borrowings	1.20% to 4.75%	1.20% to 10.00%

As at 31 December 2024, the fair values of fixed interest rate borrowings are approximately RMB7,716,629,000 (2023: RMB9,320,124,000).

35. SHORT-TERM DEBENTURES

On 26 July 2024, the Company issued an ultra short-term commercial paper of RMB1,500,000,000 at par value, bearing an interest rate of 1.97%, and expiring on 25 April 2025.

On 28 June 2024, the Company issued an ultra short-term commercial paper of RMB2,000,000,000 at par value, bearing an interest rate of 1.77%, and expiring on 28 March 2025.

On 13 December 2024, the Company issued an ultra short-term commercial paper of RMB2,000,000,000 at par value, bearing an interest rate of 1.74%, and expiring on 12 September 2025.

These commercial papers are traded on the National Association of Financial Market Institutional Investors (銀行間市場交易商協會) (“NAFMII”) in the PRC.

36. MEDIUM-TERM NOTES/CORPORATE BONDS

On 9 April 2020, the Company issued a 5-year medium-term note with a total value of RMB1,000,000,000. The coupon rate is 3.25% per annum. Total proceeds received net of issuance costs, amounted to RMB998,585,000. The medium-term note will be fully repaid on 13 April 2025.

On 16 April 2020, the Company issued corporate bonds with a total value of RMB1,000,000,000. Of which, RMB600,000,000 was 5-year corporate bonds, with a coupon rate of 3.22% per annum, RMB400,000,000 was 3-year corporate bonds, with a coupon rate of 2.65% per annum. Total proceeds received, net of issuance costs, amounted to RMB999,642,000. Of which RMB400,000,000 have been repaid on 16 April 2023, and RMB600,000,000 will be repaid on 16 April 2025.

On 27 September 2022, the Company issued a 5-year medium-term note with a total value of RMB2,000,000,000. The coupon rate is 2.92% per annum. Total proceeds received net of issuance costs, amounted to RMB1,997,547,000. The medium-term note will be fully repaid on 28 September 2027.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

36. MEDIUM-TERM NOTES/CORPORATE BONDS *(continued)*

On 4 November 2022, the Company issued 5-year medium-term note with total value of RMB1,500,000,000. The coupon rate is 2.99% per annum. Total proceeds received net of issuance costs, amounted to RMB1,498,160,000. The medium-term note will be fully repaid on 11 August 2027.

On 4 May 2023, the Company issued 5-year medium-term note with total value of RMB2,000,000,000. The coupon rate is 3.22% per annum. Total proceeds received net of issuance costs, amounted to RMB1,998,113,000. The medium-term note will be fully repaid on 8 May 2028.

On 9 July 2024, the Company issued 5-year medium-term note with total value of RMB1,500,000,000. The coupon rate is 2.33% per annum. Total proceeds received net of issuance costs, amounted to RMB1,499,717,000. The medium-term note will be fully repaid on 10 July 2029.

37. DERIVATIVE FINANCIAL ASSETS/LIABILITY

	At 31 December	
	2024 RMB'000	2023 RMB'000
Derivative financial assets		
Cash flow hedges – Interest rate swaps <i>(note (a))</i>	5,517	26,427
Analysed as:		
– Current	5,517	10,591
– Non-current	–	15,836
Derivative financial liability		
Fixed forward commodity contract <i>(note (b))</i>	–	(65,350)
Analysed as:		
– Current	–	(65,350)

37. DERIVATIVE FINANCIAL ASSETS/LIABILITY (continued)

Notes:

(a) Cash flow hedges – Interest rate swaps

At the end of the reporting period, the Group had the following interest rate swaps contracts designated as highly effective hedging instruments in order to manage the Group's interest rate risk exposure in relation to the New GRWF's syndicated loans (Note 34(e(ii))).

The terms of the interest rate swaps contracts have been negotiated to match the terms of the respective designated hedged items.

Major terms of these contracts are as follows:

At 31 December 2024

Notional amount	Maturity	Swaps
AU\$ 45,000,000 (equivalent to RMB203,423,000)	17 September 2025	Bank Bill Bid Rate prevailing in Australia+ 1.80% for 2.15%

At 31 December 2023

Notional amount	Maturity	Swaps
AU\$67,607,000 (equivalent to RMB327,786,000)	17 September 2025	Bank Bill Bid Rate prevailing in Australia+1.80% for 2.15%
AU\$140,986,000 (equivalent to RMB682,400,000)	28 March 2024	Bank Bill Bid Rate prevailing in Australia+0.84% for 1.91%

(b) Fixed forward commodity contract

New GRWF entered into the PPA contract (the "Australian PPA Contract") with a counterparty (an electricity retailer in Australia) in 2013 and was expired on 31 December 2024. Under the Australian PPA Contract, New GRWF will sell its electricity product on the spot price in Australian national energy market, but both parties agreed that the difference between the actual price realised in the market and a fixed price determined in the Australian PPA Contract will be net settled in cash. The Australian PPA Contract results in New GRWF converting its floating price electricity sales revenue that will be earned during the contract period (ten years effective from the wind farms of New GRWF starting to operate) to a fixed price revenue, with the fixed price being escalated at 2.50% per annum over the contract period.

Major terms of the Australian PPA Contract are as follows:

Notional amount	Maturity	Fixed prices
Up to the maximum capacity of the wind farm	Effective for 10 years from the operation of the wind farm to start (31 December 2014)	Peak/off peak rates as at 1 January 2012 (AU\$58.81 per MWh and AU\$40.29 per MWh, respectively) and escalated 2.50% per annum since then

During the year ended 31 December 2024, fair value gain of the Australian PPA Contract amounting to RMB63,490,000 (2023: RMB42,138,000) has been recognised in profit or loss.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

38. DEFERRED INCOME

	Government grants and subsidies		
	Clean energy production <i>RMB'000</i> <i>(note (a))</i>	Construction of assets <i>RMB'000</i> <i>(notes (c) and (d))</i>	Total <i>RMB'000</i>
At 1 January 2023	38,271	331,215	369,486
Additions	383,296	919	384,215
Released to profit or loss	(315,750)	(52,489)	(368,239)
At 31 December 2023	105,817	279,645	385,462
Additions	19,056	19,976	39,032
Released to profit or loss	(22,760)	(71,208)	(93,968)
Others <i>(note (b))</i>	(102,113)	–	(102,113)
At 31 December 2024	–	228,413	228,413

	At 31 December	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Presented in the consolidated financial statements as:		
– Current	–	105,817
– Non-current	228,413	279,645
	228,413	385,462

Notes:

- (a) The Group's gas power facilities located in Beijing, the PRC, were entitled to a subsidy policy promulgated by the Beijing Government. The Group recognises deferred income when the Group receives the relevant government subsidies. The deferred income would be released to profit or loss based on the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities and at the pre-determined subsidizing rate.
- (b) Pursuant to a notice issued by Beijing Finance during the year with effective on 1 January 2024 as disclosed in Note 7(a), the Group no longer receive subsidies from Beijing Finance in respect of gas-fired power generation and the advanced received amount of RMB102,113,000 was refunded to Beijing Finance.

38. DEFERRED INCOME (continued)

Notes: (continued)

- (c) Grants related to construction of assets are provided by several local governments in the PRC to encourage the construction of clean energy facilities. The Group records these grants as deferred income upon receipt of the grants and releases to profit or loss to match with the depreciation charge of related assets. The amounts of RMB60,887,000 (2023: RMB42,650,000) released to profit or loss are set out in Note 7.
- (d) Amount of RMB89,000,000 included in grants related to construction of assets is a benefit derived from a government Designated Capital Loan (Note 34(c)). During the year, the amount released to profit or loss is RMB10,321,000 (2023: RMB9,839,000).

39. LEASE LIABILITIES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Lease liabilities payable:		
Within one year	58,626	35,304
One to two years	62,239	36,404
Two to five years	218,294	160,017
Over five years	608,506	595,685
	947,665	827,410
Less: Amount due for settlement with 12 months shown under current liabilities	(58,626)	(35,304)
Amount due for settlement after 12 months shown under non-current liabilities	889,039	792,106

The weighted average incremental borrowing rates applied to lease liabilities is 4.33% (2023: 4.51%).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

40. SHARE CAPITAL

	Number of shares			Share capital RMB'000
	Domestic legal person shares '000	H shares '000	Total '000	
	At 1 January 2023, 31 December 2023 and 2024	5,414,831	2,829,677	

41. CAPITAL RESERVE

	At 31 December	
	2024 RMB'000	2023 RMB'000
Share premium on share issuance	2,876,757	2,876,757
Effects on acquisition of additional interests in a subsidiary	(19,043)	(19,043)
Effects on equity transactions with holding company, fellow subsidiaries and others	704,089	708,589
	3,561,803	3,566,303

42. PERPETUAL NOTES

(a) Issued on 16 December 2021

The Company issued perpetual medium-term notes at par value on 16 December 2021, with a total principal amount of RMB1,000,000,000 (“Perpetual Notes 1”). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB995,500,000.

The coupon rate for the first three years up to 20 December 2024 is 3.30% per annum, which is paid annually in arrears on 20 December in each year (“Coupon Payment Date 1”). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company’s option, on 20 December 2024 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all deferred coupon interest payments).

After 20 December 2024, the coupon rate will be reset every three years to a percentage per annum equal to the sum of (i) the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base point. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (Except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

The perpetual notes have been fully repaid on 19 December 2024.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

42. PERPETUAL NOTES *(continued)*

(b) Issued on 11 April 2023

The Company issued perpetual medium-term notes at par value on 11 April 2023, with a total principal amount of RMB1,000,000,000 (“Perpetual Notes 2”). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB998,620,000.

The coupon rate for the first two years up to 13 April 2025 is 3.20% per annum, which is paid annually in arrears on 13 April in each year (“Coupon Payment Date 2”). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company’s option, on 13 April 2025 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all unpaid and deferred coupon interest payments).

After 13 April 2025, the coupon rate will be reset every two years to a percentage per annum equal to the sum (i) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (Except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

(c) Issued on 10 July 2023

The Company issued perpetual medium-term notes at par value on 10 July 2023, with a total principal amount of RMB500,000,000 (“Perpetual Notes 3”). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB498,800,000.

The coupon rate for the first three years up to 12 July 2026 is 3.19% per annum, which is paid annually in arrears on 12 July in each year (“Coupon Payment Date 3”). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

42. PERPETUAL NOTES *(continued)*

(c) Issued on 10 July 2023 *(continued)*

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on 12 July 2026 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all unpaid and deferred coupon interest payments).

After 12 July 2026, the coupon rate will be reset every three years to a percentage per annum equal to the sum (i) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base point. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (Except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

(d) Issued on 21 December 2023

The Company issued perpetual medium-term notes at par value on 21 December 2023, with a total principal amount of RMB500,000,000 ("Perpetual Notes 4"). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB498,800,000.

The coupon rate for the first three years up to 25 December 2026 is 3.09% per annum, which is paid annually in arrears on 25 December in each year ("Coupon Payment Date 4"). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company's option, on 25 December 2026 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all unpaid and deferred coupon interest payments).

After 25 December 2026, the coupon rate will be reset every three years to a percentage per annum equal to the sum (i) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (Except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

42. PERPETUAL NOTES *(continued)*

(e) Issued on 25 November 2024

The Company issued perpetual medium-term notes at par value on 25 November 2024, with a total principal amount of RMB1,000,000,000 (“Perpetual Notes 5”). The proceeds from the issuance of the Perpetual Notes after netting off the issuance cost are RMB999,200,000.

The coupon rate for the first three years up to 27 November 2027 is 2.3% per annum, which is paid annually in arrears on 27 November in each year (“Coupon Payment Date 5”). The Company may defer any interest at its own discretion unless compulsory coupon payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred. The deferred interest is interest bearing at the current coupon rate during the interest deferral period.

The Perpetual Notes have no fixed maturity and are callable at the Company’s option, on 27 November 2027 or on any Coupon Payment Date afterwards, at their principal amounts together with any interest payable (including all unpaid and deferred coupon interest payments).

After 27 November 2027, the coupon rate will be reset every three years to a percentage per annum equal to the sum (i) of the initial spreads of difference between nominal interest rate and initial benchmark interest rate, (ii) current period benchmark interest rate, and (iii) a margin of 300 base points per annum. While any coupon interest payments are unpaid or deferred, the Group cannot declare or pay dividends (Except for handing in the state-owned capital proceeds required by relevant regulations of state-owned assets management) or reduce its registered capital.

Pursuant to the terms of these Perpetual Notes, the Company has no contractual obligation to repay its principal or to pay any coupon and deferred interest unless compulsory coupon payment event has occurred. Accordingly, the Perpetual Notes are classified as equity and subsequent coupon payment will be recorded as equity distribution to the owners of the Company.

During the year ended 31 December 2024, the profit attributable to holders of the Perpetual Notes, based on the applicable coupon rate, was approximately RMB97,548,000 (2023: RMB92,240,000) and the coupon payment distributed to the holders of the perpetual notes was approximately RMB96,400,000 (2023: RMB100,750,000).

43. ACQUISITION OF SUBSIDIARIES

During the year ended 31 December 2024, the Group acquired several companies (the "Targets") for total consideration of RMB1,029,000 (2023: RMB375,036,000) from third parties. Each of these acquisitions have been accounted for separately using the purchase accounting method and bargain purchase gain was assessed and recognised on individual basis for both years. Aggregated bargain purchase gain of RMB18,884,000 (2023: RMB13,924,000) arose after re-assessment of the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, and was recognised under other gains and losses in the consolidated statement of profit or loss and other comprehensive income.

The Targets are engaged in photovoltaic or wind power generation and were acquired so as to continue the expansion of the Group's power operations.

The acquisition of the Targets is determined to be business combinations, and optional concentration test is not elected.

Assets acquired and liabilities for both years recognised at the respectively dates of acquisition were as follows:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Assets acquired and liabilities recognised at the dates of acquisition		
Property, plant and equipment	376,978	762,699
Right-of-use assets	36,648	108,288
Intangible assets	34,972	304,131
Deferred tax assets	1,978	5,272
Trade and bills receivables	804	111,896
Other receivables, deposits and prepayments	1,314	54,239
Value-added tax recoverable	16,434	55,655
Cash and cash equivalents	1,754	24,895
Trade and other payables	(411,556)	(222,038)
Lease liabilities	(34,229)	(82,584)
Deferred tax liabilities	(5,184)	(27,198)
Bank and other borrowings	–	(712,994)
Income tax payable	–	(3,501)
Fair value of net assets acquired	19,913	378,760

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

43. ACQUISITION OF SUBSIDIARIES (*continued*)

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Bargain purchase gain arising on acquisitions		
Consideration transferred	1,029	375,036
Less: Non-controlling interests	–	(10,200)
Less: Net assets acquired	(19,913)	(378,760)
	(18,884)	(13,924)
Net cash (inflow) outflow arising on acquisitions		
Total consideration	1,029	375,036
Less: Consideration not yet paid as at the end of the reporting period	(1,029)	(12,474)
Less: Cash and cash equivalents acquired	(1,754)	(24,895)
	(1,754)	337,667

Included in the profit for the year was RMB9,336,000 (2023: RMB27,444,000) attributable to the additional business generated by the Targets. Revenue for the year included RMB9,528,000 (2023: RMB81,657,000) generated from the Targets.

Had the acquisitions been completed on the beginning of each of the reporting period, revenue for the year of the Group would have been RMB20,571,393,000 (2023: RMB20,501,704,000), and profit for the year of the Group would have been RMB3,428,727,000 (2023: RMB3,235,800,000). The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed on the beginning of each of the reporting period, nor is it intended to be a projection of future results.

43. ACQUISITION OF SUBSIDIARIES *(continued)*

In determining the pro-forma revenue and profit of the Group had the Targets been acquired at the beginning of the current year, the Directors have:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements; and
- determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

44. CAPITAL COMMITMENTS

The Group had the following commitments:

	At 31 December	
	2024 RMB'000	2023 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Acquisition of property, plant and equipment	7,236,876	5,722,044

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

45. PLEDGE OF ASSETS

- (a) The following assets were pledged to secure certain bank borrowings granted to the Group as at 31 December 2024 and 2023.

	At 31 December	
	2024 RMB'000	2023 RMB'000
Property, plant and equipment	2,241,709	2,489,779
Trade receivables	2,897,713	2,512,043
Finance lease receivables	–	309,721
Restricted bank deposits	45,661	46,892
	5,185,083	5,358,435

- (b) Shares pledged

As at 31 December 2024, the Group pledged 100% (2023: 100%) equity interest of New GRWF and Gullen Solar Pty Ltd., subsidiaries of the Company, to National Australia Bank (“NAB”) in Australia in connection with the loan facilities granted by NAB and pledged 100% (2023: 100%) equity interests of Ningxia Boyang and Ningxia Kaiyang, subsidiaries of the Company, to National Development Bank (“NDB”) in China in connection with the loans granted by NDB.

46. RETIREMENT BENEFIT SCHEME CONTRIBUTIONS AND CASH-SETTLED SHARE-BASED PAYMENTS

- (a) Retirement benefit scheme contributions

During the year ended 31 December 2024, total amount of RMB122,402,000 (2023: RMB110,487,000) including retirement benefit cost of directors of RMB209,000 (2023: RMB300,000) was recognised in profit or loss as retirement benefit scheme contributions.

The Group participates in retirement benefit schemes organised by the local government authorities in the PRC. The local government authorities in the PRC are responsible for managing the pension liabilities to the retired employees. For the pension liabilities to these retired employees, the Group’s obligation is only to make monthly contributions at 16% (2023: 16%) of salary for the year ended 31 December 2024.



46. RETIREMENT BENEFIT SCHEME CONTRIBUTIONS AND CASH-SETTLED SHARE-BASED PAYMENTS *(continued)*

(a) Retirement benefit scheme contributions *(continued)*

During the years ended 31 December 2024 and 2023, the Group had no forfeited contributions under the scheme which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 31 December 2024 and 2023 under the scheme which may be used by the Group to reduce the contribution payable in future years.

(b) Cash-settled share-based payments

Pursuant to a shareholder resolution passed on 2 February 2024, the Company issued to certain employees share appreciation rights (the SARs) that require the Company to pay the intrinsic value of the SARs to the employees at the date of exercise. The SARs are to be settled by cash. The SARs schema does not involve the grant of options over the existing shares, new shares or other new securities issuable by the Company. The total number of SARs granted under the Scheme is 123,675,000 and the Company has granted 123,591,000 SARs in 2024 in three installments to employees that entitle them to a cash payment after two years of service since the date of granted if the company and the incentive recipients achieve the predetermined performance conditions, representing approximately 1.5% of the total issued share capital of the Company as at 31 December 2024. The remaining 84,000 SARs under the Scheme not yet been granted were cancelled on 31 October 2024. At 31 December 2024, the Group has recorded liabilities of approximately RMB11,234,000. The fair value of the SARs is determined using the Black-Scholes pricing model. The Group recorded total expenses of approximately RMB11,234,000 during the year in respect of the SARs.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

47. RELATED PARTY BALANCES AND TRANSACTIONS

- (a) Besides loans to an associate and a joint venture, finance lease receivables, and deposits in a related non-bank financial institution as set out in Notes 21, 22, 27, and 32 and loan receivables, the Group has amounts due from the following related parties and the details are set out below:

	At 31 December	
	2024 RMB'000	2023 RMB'000
Amounts due from:		
Associates	580	261
Fellow subsidiaries	592,073	197,421
	592,653	197,682
Represented by:		
Trade (<i>note</i>)	567,183	197,421
Receivables for disposal of a subsidiary equity without change of control	24,890	–
Non-trade (<i>note</i>)	580	261
	592,653	197,682

Note: The Group allow a credit period of 60 days for its trade receivables. The non-trade balances are repayable on demand. All balances are interest-free, unsecured and aged within one year.

47. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

- (b) Besides the balances in borrowings from a related non-bank financial institution, fellow subsidiaries and BEH as set out in Note 34, the Group has amounts due to the following related parties and the details are set out below:

	At 31 December	
	2024 RMB'000	2023 RMB'000
Amounts due to:		
Fellow subsidiaries	321,065	174,530
Associates	9,048	9,168
	330,113	183,698
Represented by:		
Trade <i>(note)</i>	300,146	151,401
Payables for acquisition of property, plant and equipment	20,919	22,706
Non-trade <i>(note)</i>	9,048	9,591
	330,113	183,698

Note: The Group apply a credit period of 60 days for its trade payables. The non-trade balances are repayable on demand. The balances carry interest rate of 4.05% and 4.6% and are secured with 100% of the year. cTj/T1

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

47. RELATED PARTY BALANCES AND TRANSACTIONS (*continued*)

(d) Transactions with related parties:

During the year ended 31 December 2024, besides interest income received from associates and a joint venture as set out in Note 10, and interest expense charged by related parties as set out in Notes 34(a), and 34(b), the Group entered into the following significant transactions with its related parties:

(i) *Equipment maintenance services from related parties*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Fellow subsidiaries	100,433	93,396

(ii) *Administration services from related parties*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Fellow subsidiaries	54,741	67,329

(iii) *Property Lease Framework Agreement*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Fellow subsidiaries	53,431	52,067

47. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(d) Transactions with related parties: *(continued)*

(iv) *Commission for entrusted loan service from a related non-bank financial institution*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
A fellow subsidiary	342	354

(v) *Property management fee charged by related parties*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Fellow subsidiaries	99,621	71,231

(vi) *Heat energy sold to a related party*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
A fellow subsidiary	1,808,566	1,800,182

(vii) *EPC framework agreement*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
A fellow subsidiary	3,549	6,856

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

47. RELATED PARTY BALANCES AND TRANSACTIONS (*continued*)

(d) Transactions with related parties: (*continued*)

(viii) *Lease administrator fee paid to a related party*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
A fellow subsidiary	10,966	16,197

(ix) *Integrated Energy Supply Framework Agreement*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Fellow subsidiaries	15,598	–

(x) *Property Lease Framework Agreement (II)*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
A fellow subsidiary	3,898	–

(xi) *Operating services from related parties*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Fellow subsidiaries	11,550	20,238

47. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

(d) Transactions with related parties: *(continued)*

(xii) Generation rights purchase from a related party

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
A fellow subsidiary	5,492	–

(xiii) Revenue related to finance lease service from related parties

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Fellow subsidiaries	48,893	81,059

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

47. RELATED PARTY BALANCES AND TRANSACTIONS (*continued*)

(d) Transactions with related parties: (*continued*)

(xvi) *Engineering construction service provided by related parties*

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Fellow subsidiaries	319,884	67,537

(e) **Compensation of key management personnel**

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Directors' fees	500	500
Basic salaries and allowances	9,270	9,336
Retirement benefit contributions	342	437
Cash-settled share-based payment	1,300	–
	11,412	10,273

Key management represents the Directors and other senior management personnel disclosed in the annual report. The remuneration of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

(f) In addition, the Group also has entered into other various transactions with other government-related entities in its ordinary course of business. In view of the insignificance of these transactions, the Directors are of the opinion that separate disclosure is not meaningful.

48. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (which include bank and other borrowings, short-term debentures, medium-term notes, corporate bonds, net of cash and cash equivalents, and restricted bank deposits), and equity attributable to ordinary shareholders of the Company, comprising issued share capital, retained profits and other reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with capital, and take appropriate actions to balance its overall capital structure.

49. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	At 31 December	
	2024 RMB'000	2023 RMB'000
Financial assets		
Financial assets at amortised cost	23,317,573	18,427,814
Finance lease receivables	1,406,976	946,245
Financial asset at FVTPL	335,573	257,853
Equity instrument at FVTOCI	106,000	92,500
Derivative financial assets	5,517	26,427
Financial liabilities		
Financial liabilities at amortised cost	60,937,056	56,377,433
Derivative financial liabilities	–	65,350

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

49. FINANCIAL INSTRUMENTS (*continued*)

(b) Financial risk management objectives and policies

The Group's major financial instruments include derivative financial assets, trade and bills receivables, other receivables and deposits, equity instrument at FVTOCI, financial asset at FVTPL, loans to an associate and a joint venture, finance lease receivables, cash and cash equivalents, restricted bank deposits, trade and other payables, amounts due from/to related parties, bank and other borrowings, short-term debentures, medium-term notes, corporate bonds, provision and derivative financial liability. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose primarily to the market risks of changes in interest rates, foreign currency exchange rates and other price risk.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk during the year ended 31 December 2024.

(i) **Interest rate risk management**

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on loans to an associate and a joint venture, cash and cash equivalents, restricted bank deposits, bank and other borrowings carried at variable interest rate and lease liabilities. The Group's cash flow interest rate concentrated on prevailing market interest based on the interest rates quoted by the PBOC plus a premium or less a discount. The Group enters into interest rate swaps to hedge against its exposure to changes in cash flow of certain borrowings. The interest rate swaps are designated as an effective hedging instrument and hedge accounting is applied (see Note 37 for details).

The Group's fair value interest rate risk mainly included bank borrowings carried at fixed interest rate, short-term debentures, medium-term notes, corporate bonds and lease liabilities.



49. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

(i) *Interest rate risk management (continued)*

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

A fundamental reform of major interest rate benchmarks is being undertaken globally,

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

49. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Foreign currency risk management (continued)

Currency sensitivity

The Group is mainly exposed to exchange rate fluctuation on EUR, HK\$, US\$ and AU\$, because trade payables caused by repairs and maintenance services were mainly denominated in EUR, and foreign currency bank balances denominated in HK\$, US\$ and AU\$. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	31/12/2024 RMB'000	31/12/2023 RMB'000	31/12/2024 RMB'000	31/12/2023 RMB'000
EUR	-	-	-	-
HK\$	-	-	754	3,076
US\$	-	-	5,851	67,006
AU\$	-	-	284,596	8,321

The following table details the Group's sensitivity to a 5% strengthening of RMB against EUR, HK\$, US\$ and AU\$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the exchange rate of RMB against EUR, HK\$, US\$ and AU\$. For a 5% weakening of RMB against EUR, HK\$, US\$ and AU\$, there would be an equal and opposite impact on the profit after taxation for the year:

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Increase in profit (EUR)	-	-
Decrease in profit (HK\$)	(30)	(120)
Decrease in profit (US\$)	(234)	(2,616)
Decrease in profit (AU\$)	(11,374)	(325)



49. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

(iii) Other price risks

The Group is exposed to equity price risk mainly through its investment in equity securities. The Group's equity price risk over investment in listed equity securities is mainly concentrated on an equity security operating in nuclear power industry sector quoted in the Hong Kong Stock Exchange. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 15% higher/lower:

Profit for the year ended 31 December 2024 would increase/decrease by RMB42,031,000 (2023: RMB32,296,000) as a result of the changes in fair value of financial asset at FVTPL.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to its trade and bills receivables, finance lease receivables, loan receivables, other receivables and deposits, loans to an associate and a joint venture, amounts due from related parties, restricted bank deposits, and cash and cash equivalents. 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 is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

49. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	12-month or lifetime ECL	At 31 December	
		2024 Gross carrying amount RMB'000	2023 Gross carrying amount RMB'000
Financial assets at amortised cost			
Loans to an associate and a joint venture and amounts due from related parties (note i)	12m ECL	700,653	307,682
Restricted bank deposits, and cash and cash equivalents (note i)	12m ECL	7,494,091	6,678,141
Other receivables and deposits (note ii)	12m ECL	1,105,923	520,097
	Lifetime ECL (credit-impaired)	19,745	19,745
Trade receivables (note ii)	Lifetime ECL	14,055,115	10,948,513
Bills receivable (note ii)	12m ECL	4,481	5,954
Other item			
Finance lease receivables (note ii)	12m ECL	1,406,976	946,245

Notes:

- i The counterparty has a low risk of default and does not have any past-due amounts.
- ii For other receivables and deposits, bills receivable and finance lease receivables, the Group uses the 12m ECL to measure the loss allowance, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL.

The Group determines the expected credit losses on the debtors individually by past due status.



49. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment (continued)

Trade and bills receivables arising from contracts with customers

The Group is exposed to significant concentration of credit risk in terms of electricity sales as majority of the Group's sales of electricity were made to regional and provincial power grid companies. The Group normally grants credit terms of 60 days to these power grid companies except for clean energy power price premium. The collection of such clean energy power price premium is subject to the allocation of funds by relevant government authorities to local grid companies, which therefore takes a relatively longer time for settlement, and the Directors are of the opinion that the tariff premium receivables are fully recoverable considering that there are no bad debt experiences with the power grid companies in the past and the tariff premium is funded by the PRC government. The Group normally does not require collaterals from trade debtors. In addition, the Group performs impairment assessment under ECL model on trade balances individually. Aging analysis of the Group's trade receivables is disclosed in Note 26 and monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. The amounts presented in the consolidated statement of financial position are net of allowances for credit losses, estimated by the Group's management based on historical settlement records, adjusted for forward-looking information and their assessment of the current economic environment.

Other receivables and deposits

The counterparties of the Group's other receivables and deposits are mainly large state-owned enterprises with good credit and government agencies. Under ECL model, management makes periodic collective assessment as well as individual assessment on the recoverability of all the receivables, based on historical payment records, the length of the overdue period, the financial strength of the debtors and whether there are any disputes with the relevant debtors. The Directors are of the opinion that the credit risk on other receivables and deposits is limited. At the end of the reporting period, the Directors have performed impairment assessment for other receivables and deposits and concluded that the credit losses of the other receivables and deposits as at 31 December 2024 was insignificant.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

49. FINANCIAL INSTRUMENTS (*continued*)

(b) Financial risk management objectives and policies (*continued*)

Credit risk and impairment assessment (continued)

Restricted bank deposits and cash and cash equivalents

Substantially all of the Group's cash and deposits are held in major financial institutions and BEH Finance, which management believes are of high credit quality. Therefore, the Group performs impairment assessment under 12m ECL model on restricted bank deposits and cash and cash equivalents on collective basis. Management does not expect any losses from non-performance by these counterparties. To manage this risk, restricted bank deposits, and cash and cash equivalents are mainly placed with state-owned financial institutions and reputable banks. The Group has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limiting the amount of credit exposure to any single financial institution.

Loan receivables

The management estimates the estimated loss rates of loan receivables based on historical credit loss experience of the debtors as well as the fair value of the collateral pledged by the customers to the loan receivables. Based on assessment by the management, the management considers the ECL for loan receivables is insignificant and therefore no loss allowance was recognised.

Finance lease receivables

The management are of the opinion that the finance lease receivables are fully recoverable because the counterparties have a low risk of default and does not have any past-due amounts. Based on assessment by the management, the management considers the ECL for loan receivables is insignificant and therefore no loss allowance was recognised.

49. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Credit risk and impairment assessment (continued)

Finance lease receivables (Continued)

The following tables show reconciliation of loss allowances that has been recognised for trade receivables.

	Lifetime ECL (not credit- impaired) RMB'000	Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As 1 January 2023	19,626	–	19,626
– Impairment losses recognised	15,807	–	15,807
– Impairment losses reversed	(2,860)	–	(2,860)
As at 31 December 2023	32,573	–	32,573
– Impairment losses recognised	10,117	–	10,117
As at 31 December 2024	42,690	–	42,690

For other receivables, the impairment losses at 31 December 2024 of RMB19,745,000 (2023: RMB19,745,000) was assessed by lifetime ECL as the corresponding receivables were considered credit-impaired. The impairment losses reversed on other receivables for the year was RMB Nil (2023: impairment losses reversed on other receivables for the year was RMB5,000,000).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

49. FINANCIAL INSTRUMENTS (*continued*)

(b) Financial risk management objectives and policies (*continued*)

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group has net current liabilities as at 31 December 2024, which exposed the Group to liquidity risk. In order to mitigate the liquidity risk, the management regularly monitors the operational cash flow of the Group as well as the unutilised bank facilities to meet its liquidity requirements in the short and long term.

The Group relies on bank borrowings and perpetual notes as a significant source of liquidity. As at 31 December 2024, the Group has available unutilised banking and other borrowing facilities of RMB32,463,400,000 (2023: RMB22,352,650,000).

Liquidity risk

The following table details the Group's remaining contractual maturity for its financial liabilities and derivative instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the 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.

49. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (Continued)

	Weighted average effective interest rate %	Within 1 year RMB'000	1 year to 2 years RMB'000	2 years to 3 years RMB'000	3 years to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
At 31 December 2024								
Trade and other payables	-	6,238,083	105,572	41,821	5,441	-	6,390,917	6,390,917
Bank and other borrowings								
- variable interest rate	2.50	9,392,667	5,176,425	2,898,418	4,864,074	12,851,573	35,183,157	31,817,331
Bank and other borrowings								
- fixed interest rate	2.75	4,570,340	1,102,179	906,050	260,574	1,530,094	8,369,237	8,145,242
Short-term debentures	2.06	5,573,788	-	-	-	-	5,573,788	5,532,001
Medium-term notes	2.92	1,211,771	202,600	3,681,048	2,057,711	1,500,000	8,653,130	8,108,020
Corporate bonds	3.22	619,258	-	-	-	-	619,258	613,432
Amounts due to related parties	-	330,113	-	-	-	-	330,113	330,113
Lease liabilities	4.33	61,371	68,224	127,948	60,256	989,608	1,307,407	947,665
		<u>27,997,391</u>	<u>6,655,000</u>	<u>7,655,285</u>	<u>7,248,056</u>	<u>16,871,275</u>	<u>66,427,007</u>	<u>61,884,721</u>
At 31 December 2023								
Trade and other payables	-	6,131,937	107,097	33,391	451	-	6,272,876	6,272,876
Bank and other borrowings								
- variable interest rate	3.04	7,620,351	6,577,885	4,128,082	4,458,770	8,322,147	31,107,235	28,029,028
Bank and other borrowings								
- fixed interest rate	2.71	3,022,481	1,280,564	1,106,866	1,330,689	3,390,495	10,131,095	9,863,787
Short-term debentures	2.21	4,878,570	-	-	-	-	4,878,570	4,828,929
Medium-term notes	3.19	204,050	1,177,922	167,650	3,646,098	2,022,761	7,218,481	6,585,568
Corporate bonds	3.13	19,320	605,611	-	-	-	624,931	613,547
Amounts due to related parties	-	4,878,570	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

49. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Interest rate basis risk

Interest rate basis risk may arise if a non-derivative instrument and the derivative instrument held to manage the interest risk on the non-derivative instrument transition to alternative benchmark rates at different times. This risk may also arise where back-to-back derivatives transition at different times. The Group will monitor this risk against its risk management policy which has been updated to allow for temporary mismatches of up to 12 months and transact additional basis interest rate swaps if required.

(c) Fair value

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique and key input
	31 December 2024	31 December 2023		
1) Listed held for trading shares (see Note 30)	Listed equity securities in Hong Kong: Electric power industry – RMB335,573,000	Listed equity securities in Hong Kong: Electric power industry – RMB257,853,000	Level 1	Quoted bid price in an active market.
2) Interest rate swaps classified as derivatives on the consolidated statement of financial position (see Note 37)	Assets – RMB5,517,000	Assets – RMB26,427,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the counterparty.

49. FINANCIAL INSTRUMENTS (continued)

(c) Fair value (continued)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique and key input
	31 December 2024	31 December 2023		
3) Private equity investment at FVTOCI (see Note 24)	Private equity investments in the PRC: Electric power industry – RMB106,000,000	Private equity investments in the PRC: Electric power industry – RMB92,500,000	Level 3	Market approach. Fair value are derived from price multiples of similar assets that have been traded in the market, and estimated based on the P/B ratio of comparable listed companies and a liquidity discount rate.
4) Fixed forward commodity contract classified as a derivative on the consolidated statement of financial position (see Note 37)	Liability – RMBNil	Liability – RMB65,350,000	Level 3	Discounted cash flow. Future cash flows are estimated based on spot electricity price, contract forward price and generators' utilization hours, discounted at a rate that reflects the credit risk of a counterparty. Discount rates is 4.32% for 31 December 2023.



Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

49. FINANCIAL INSTRUMENTS (*continued*)

(c) Fair value (*continued*)

In estimating the fair value of an asset where Level 1 inputs are not available, the management of the Group works closely with external valuers to establish the appropriate valuation techniques and inputs to the model.

There were no transfers among different levels during both years.

Some of the Group's financial assets and financial liabilities are measured at amortised cost at the end of the reporting period. Their fair values are determined in accordance with generally

50. 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 and other borrowings	Short-term debentures	Medium- term notes	Corporate bonds	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	33,727,781	5,538,424	6,099,444	1,020,954	740,537	47,127,140
Financing cash flows	3,425,751	(738,424)	392,962	(421,169)	(82,229)	2,576,891
Accrued interest	32,836	28,929	93,162	13,762	32,479	201,168
Effect of foreign currency exchange difference	(6,547)	-	-	-	-	(6,547)
Additions of lease liabilities	-	-	-	-	54,039	54,039
Acquisition of subsidiaries 0 Ttion of subsidiaries 0 Ttion of,18u						

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

51. SUBSIDIARIES

General information of material subsidiaries

Details of the Company's material subsidiaries (excluding the Targets as disclosed in Note 43) at 31 December 2024 and 2023 are set out below:

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2024	2023	
			2024	2023	2024	2023			
北京太陽宮燃氣熱電有限公司 (Beijing Taiyangong Gas-fired Power Co., Ltd.)* ("Taiyangong Power")	PRC	RMB747,297,000	74%	74%	-	-	74%	74%	Gas-fired power and heat energy generation
北京京橋熱電有限責任公司 (Beijing Jingqiao Thermal Power Co., Ltd.)*	PRC	RMB876,780,000	100%	100%	-	-	100%	100%	Gas-fired power and heat energy generation
北京京豐燃氣發電有限責任公司 (Beijing Jingfeng Natural Gas-fired Power Co., Ltd.)*	PRC	RMB353,940,000	100%	100%	-	-	100%	100%	Gas-fired power and heat energy generation
北京京能高安屯燃氣熱電有限責任公司 (Beijing Jingneng Gaoantun Gas-fired Power Co., Ltd.)*	PRC	RMB760,512,000	100%	100%	-	-	100%	100%	Gas-fired power and heat energy generation
北京京西燃氣熱電有限公司 (Beijing Jingneng Jingxi Gas-fired Power Co., Ltd.)*	PRC	RMB1,030,010,000	100%	100%	-	-	100%	100%	Gas-fired power and heat energy generation
北京上莊燃氣熱電有限公司 (Beijing Shangzhuang Gas-fired Power Co., Ltd.)*	PRC	RMB775,538,000	100%	100%	-	-	100%	100%	Gas-fired power and heat energy generation
黑水縣三聯水電開發有限責任公司 (Heishui Sanlian Hydropower Development., Ltd.)*	PRC	RMB381,770,000	100%	100%	-	-	100%	100%	Water power generation
盈江華富水電開發有限公司 (Yingjiang Hua Fu HydroPower Development Co., Ltd.)*	PRC	RMB413,600,000	100%	100%	-	-	100%	100%	Water power generation

51. SUBSIDIARIES (continued)

General information of material subsidiaries (continued)

Details of the Company's material subsidiaries (excluding the Targets as disclosed in Note 43) at 31 December 2024 and 2023 are set out below: (continued)

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2024	2023	
			2024	2023	2024	2023			
內蒙古京能商都風力發電有限責任公司 (Inner Mongolia Jingneng Shangdu Wind Power Co., Ltd.)*	PRC	RMB207,520,000	100%	100%	-	-	100%	100%	Wind power generation
北京京能新能源有限公司 (Beijing Jingneng New Energy Co., Ltd.)*	PRC	RMB2,722,777,000	100%	100%	-	-	100%	100%	Investment management and wind power generation
內蒙古京能察右中風力發電有限責任公司 (Inner Mongolia Jingneng Chayouzhong Energy Co., Ltd.)*	PRC	RMB313,641,000	100%	100%	-	-	100%	100%	Wind power generation
錫林郭勒吉相華亞風力發電有限責任公司 (Xilinguole Jixianghuaya Wind Power Co., Ltd.)*	PRC	RMB942,751,000	100%	100%	-	-	100%	100%	Wind power generation
內蒙古京能烏蘭伊更風力發電有限責任公司 (Inner Mongolia Jingneng Wulanyiligeng Wind Power Co., Ltd.)*	PRC	RMB799,850,000	100%	100%	-	-	100%	100%	Wind power and photovoltaic power generation
內蒙古京能文真烏拉風力發電有限公司 (Inner Mongolia Jingneng Wengongwula Wind Power Co., Ltd.)*	PRC	RMB220,613,000	100%	100%	-	-	100%	100%	Wind power and photovoltaic power generation
內蒙古京能烏蘭風力發電有限公司 (Inner Mongolia Jingneng Wulan Wind Power Co., Ltd.)*	PRC	RMB415,140,000	100%	100%	-	-	100%	100%	Wind power generation
寧夏京能新能源有限公司 (Ningxia Jingneng New Energy Co., Ltd.)*	PRC	RMB414,598,000	100%	100%	-	-	100%	100%	Wind power and photovoltaic power generation

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

51. SUBSIDIARIES (continued)

General information of material subsidiaries (continued)

Details of the Company's material subsidiaries (excluding the Targets as disclosed in Note 43) at 31 December 2024 and 2023 are set out below: (continued)

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2024	2023	
			2024	2023	2024	2023			
寧夏京能靈武風電有限公司 (Ningxia Jingneng Lingwu Wind Power Co., Ltd.)*	PRC	RMB411,327,000	100%	100%	-	-	100%	100%	Wind power and photovoltaic power generation
五家渠京能新能源有限責任公司 (Wujiaqu Jingneng New Energy Co., Ltd.)*	PRC	RMB397,264,000	100%	100%	-	-	100%	100%	Wind power and photovoltaic power generation
北京京能未來燃氣熱電有限公司 (Beijing Jingneng Weilai Gas-fired Power Co., Ltd.)*	PRC	RMB304,899,000	100%	100%	-	-	100%	100%	Gas-fired power and heat energy generation
寧夏中寧縣京能新能源有限公司 (Ningxia Zhongning County New Energy Co., Ltd.)*	PRC	RMB471,096,000	100%	100%	-	-	100%	100%	Wind power and photovoltaic power generation
格爾木京能新能源有限公司 (Golmud Jingneng New Energy Co., Ltd.)*	PRC	RMB205,360,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
Jingneng HK	Hong Kong, China	HK\$77,657,000	100%	100%	-	-	100%	100%	Investment holding
New GRWF	Australia	AU\$132,460,000	-	-	60%	100%	100%	100%	Wind power generation
Gullen Solar Pty Ltd.	Australia	AU\$6,500,000	-	-	60%	100%	100%	100%	Photovoltaic power generation
BJCE Australia	Australia	AU\$115,600,000	-	-	60%	100%	100%	100%	Investment holding
Newtricity Biala Pty Ltd.	Australia	AU\$65,400,000	-	-	60%	100%	100%	100%	Wind power generation
益陽大通湖東大光伏發電有限公司 (Yiyang Datonghu Dongda Photovoltaic Power Co., Ltd.)*	PRC	RMB280,000,000	100%	100%	-	-	100%	100%	Photovoltaic power generation

51. SUBSIDIARIES (continued)

General information of material subsidiaries (continued)

Details of the Company's material subsidiaries (excluding the Targets as disclosed in Note 43) at 31 December 2024 and 2023 are set out below: (continued)

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2024	2023	
			2024	2023	2024	2023			
內蒙古京能蘇尼特風力發電有限公司 (Neimenggu Jingneng Sunite Wind Power Co., Ltd.)*	PRC	RMB451,680,000	100%	100%	-	-	100%	100%	Wind power generation
京能新能源(蘇尼特右旗)風力發電有限公司 (Jingneng New Energy (Sunite) Wind Power Co., Ltd.)*	PRC	RMB316,433,000	100%	100%	-	-	100%	100%	Wind power and photovoltaic power generation
張北京能清潔能源有限公司 (Zhangbei Jingneng Clean Energy Co., Limited)*	PRC	RMB210,450,000	100%	100%	-	-	100%	100%	Wind power generation
尚義京能新能源有限公司 (Shangyi Jingneng New Energy Co., Limited)*	PRC	RMB305,650,000	100%	100%	-	-	100%	100%	Wind power generation
康保新京清潔能源有限公司 (Kangbao Xinjing Clean Energy Co., Limited)*	PRC	RMB700,370,000	100%	100%	-	-	100%	100%	Wind power generation
巴彥淖爾京能清潔能源電力有限公司 (Bayannaer Jingneng Clean Energy Power Co., Limited)*	PRC	RMB765,321,000	95%	95%	-	-	95%	95%	Wind power generation
鄂托克前旗晟日新能源科技有限公司 (Etokeqian banner SHENGRI New Energy Technology Co., Ltd)*	PRC	RMB332,200,000	100%	100%	-	-	100%	100%	Wind power generation
寧夏博陽新能源有限公司 (Ningxia Boyang)*	PRC	RMB325,372,000	100%	100%	-	-	100%	100%	Wind power and photovoltaic power generation
深圳京能融資租賃有限公司 (Shenzhen Jingneng Financial Leasing Co., Ltd.)* ("Shenzhen Jingneng Leasing")	PRC	RMB2,007,580,000	84.68%	84.68%	-	-	84.68%	84.68%	Finance Lease

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

51. SUBSIDIARIES (continued)

General information of material subsidiaries (continued)

Details of the Company's material subsidiaries (excluding the Targets as disclosed in Note 43) at 31 December 2024 and 2023 are set out below: (continued)

Name of subsidiary	Place of registration and operation	Paid up issued/ registered capital	Equity interest attributable to the Company				Proportion of voting rights held by the Group		Principal activities
			Direct		Indirect		2024	2023	
			2024	2023	2024	2023			
欽州京能清潔能源有限公司 (Qinzhou Jingneng New Energy Co., Limited) *	PRC	RMB214,208,000	100%	100%	-	-	100%	100%	Photovoltaic power generation
汕頭京能清潔能源有限公司 (Shantou Jingneng Clean Energy Co., Ltd.) *	PRC	RMB344,735,000	100%	100%	-	-	100%	100%	Wind power generation
尚義縣旭藍新能源科技有限公司 (Shangyi Xulan New Energy Technology Co., Ltd)*	PRC	RMB327,200,000	-	-	100%	100%	100%	100%	Wind power generation
宜昌市夷陵區中基熱電有限公司 (Yiling District Yichang City Zhongji thermal power Co., Ltd)*	PRC	RMB210,671,000	90%	90%	-	-	90%	90%	Gas-fired power and heat energy generation

* English name for identification purpose

Note: All of the subsidiaries of the Company registered in the PRC above are wholly-domestic owned companies with limited liability under PRC law.

The table below shows details of non-wholly owned subsidiaries of the Company that have material non-controlling interests:

Name of subsidiary	Incorporation/ establishment/ registration and operation	Proportion ownership interest held by non-controlling interests		Profit allocated to non-controlling interests		Total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	2024	2023	2024	2023	2024	2023
		%	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Taiyanggong Power	PRC	26.00	26.00	41,242	72,891	41,242	72,891	333,758	364,383
Shenzhen Jingneng Leasing	PRC	15.32	15.32	7,821	9,745	7,821	9,745	379,080	422,270
BJCE Australia (note)	Australia	40.00	-	21,146	-	(42,281)	-	491,944	-

Note: as disclosed in consolidated statement of changes in equity, the transaction of disposal of 40% equity interests of BJCE Australia was completed on 30 September 2024.

51. SUBSIDIARIES (continued)

Summarised financial information in respect of the Company's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Taiyanggong Power	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current assets	842,921	1,097,342
Non-current assets	864,638	831,701
Current liabilities	408,231	511,008
Non-current liabilities	15,080	16,561
Revenue	2,025,947	2,115,625
Profit and total comprehensive income for the year	158,622	280,350
Dividends declared to non-controlling interests	71,889	59,597
Net cash generated from operating activities	147,749	370,638
Net cash used in investing activities	(186,176)	(111,152)
Net cash used in financing activities	(276,496)	(229,218)
Net cash (outflow) inflow	(314,923)	30,268

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

51. SUBSIDIARIES (continued)

Shenzhen Jingneng Leasing	2024 RMB'000	2023 RMB'000
Current assets	528,014	897,158
Non-current assets	1,995,914	3,547,507
Current liabilities	49,461	651,836
Non-current liabilities	215	1,036,500
Revenue	66,256	140,690
Profit and total comprehensive income for the year	51,053	63,608
Dividends declared to non-controlling interests	51,011	–
Net cash generated from operating activities	40,152	112,812
Net cash from investing activities	2,084,630	200,567
Net cash used in financing activities	(1,964,451)	(124,240)
Net cash inflow	160,331	189,139

51. SUBSIDIARIES (continued)

BJCE Australia	2024 RMB'000
Current assets	466,148
Non-current assets	2,357,341
Current liabilities	1,103,830
Non-current liabilities	489,798
Revenue	398,800
Profit and total comprehensive income for the year	34,475
Dividends declared to non-controlling interests	–
Net cash generated from operating activities	259,895
Net cash used in investing activities	(15,221)
Net cash used in financing activities	(461,457)
Net cash outflow	(216,783)

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position

	At 31 December	
	2024 RMB'000	2023 RMB'000
Non-current assets		
Property, plant and equipment	934,342	991,711
Intangible assets	32,772	43,239
Right-of-use assets	38,710	45,522
Investments in subsidiaries	28,593,168	27,887,118
Investments in associates	1,613,201	1,551,361
Loans to an associate	38,000	40,000
Investment in a joint venture	63,718	76,255
Loans to a joint venture	70,000	70,000
Loans to subsidiaries	6,642,413	8,184,383
Deferred tax assets	36,092	40,515
Value-add tax recoverable	15,733	12,056
Deposit paid for acquisition of property, plant and equipment	754,980	61,683
	38,833,129	39,003,843
Current assets		
Inventories	3,501	2,221
Trade and bills receivables	311,304	220,675
Other receivables, deposits and prepayments	1,143,445	382,978
Loans to subsidiaries	7,577,500	6,201,500
Amounts due from related parties	11,017	731
Amounts due from subsidiaries	9,959,772	8,991,871
Value-added tax recoverable	4,617	2,519
Cash and cash equivalents	2,018,171	2,580,108
	21,029,327	18,382,603

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Statement of financial position (continued)

	At 31 December	
	2024	2023
	RMB'000	RMB'000
Current liabilities		
Trade and other payables	136,222	370,336
Amounts due to related parties	6,626	16,433
Amounts due to subsidiaries	4,200,879	4,800,785
Bank and other borrowings – due within one year	5,575,063	3,771,181
Short-term debentures	5,532,001	4,828,929
Medium-term notes	1,114,482	93,162
Corporate bonds	613,432	13,762
Lease liabilities	8,466	9,006
Income tax payable	6,491	6,219
Deferred Income	–	3,704
	17,193,662	13,913,517
Net current assets	3,835,665	4,469,086
Total assets less current liabilities	42,668,794	43,472,929
Non-current liabilities		
Bank and other borrowings – due after one year	4,011,643	6,707,724
Medium-term notes	6,993,538	6,492,406
Corporate bonds	–	599,785
Deferred tax liabilities	8,261	10,784
Deferred income	61,511	64,777
Lease liabilities	26,611	32,351
	11,101,564	13,907,827
Net assets	31,567,230	29,565,102
Capital and reserves		
Share capital	8,244,508	8,244,508
Reserves	20,294,419	18,297,139
Perpetual notes	3,028,303	3,023,455
Total equity	31,567,230	29,565,102

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

52. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(continued)*

Movements on reserves

	Capital reserve <i>RMB'000</i>	Statutory surplus reserve <i>RMB'000</i>	Other reserve <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	4,236,958	1,829,380	226	10,902,601	16,969,165
Profit and total comprehensive income for the year	-	-	-	2,326,747	2,326,747
Repayment of perpetual notes	(7,783)	-	-	-	(7,783)
Appropriation to statutory surplus reserve	-	241,899	-	(241,899)	-
Dividend declared	-	-	-	(990,990)	(990,990)
Appropriations and utilisations of specific reserve	-	-	403	(403)	-
At 31 December 2023	4,229,175	2,071,279	629	11,996,056	18,297,139
Profit and total comprehensive income for the year	-	-	-	3,154,362	3,154,362
Repayment of perpetual notes	(4,500)	-	-	-	(4,500)
Appropriation to statutory surplus reserve	-	325,653	-	(325,653)	-
Dividend declared	-	-	-	(1,152,582)	(1,152,582)
Appropriations and utilisations of specific reserve	-	-	441	(441)	-
At 31 December 2024	4,224,675	2,396,932	1,070	13,671,742	20,294,419



Definitions

“Articles of Association”	articles of association of the Company
“BDHG”	北京市熱力集團有限責任公司(Beijing District Heating (Group) Co., Ltd.)
“BEH”	北京能源集團有限責任公司(Beijing Energy Holding Co., Ltd.)
“BEH Finance”	京能集團財務有限公司(BEH Finance Co., Ltd.)
“Beijing Energy Investment”	北京能源投資集團(香港)有限公司(Beijing Energy Investment Holding (Hong Kong) Co., Ltd.)
“Beijing Jingneng Leasing”	北京京能融資租賃有限公司(Beijing Jingneng Financial Leasing Co., Ltd.) (formerly known as北京京能源深融資租賃有限公司(Beijing Jingneng Yuanshen Finance Leasing Co., Ltd.))
“Board of Directors” or “Board”	board of directors of the Company
“Board of Supervisors”	board of supervisors of the Company
“BSCOMC”	北京國有資本運營管理有限公司 (Beijing State-owned Capital Operation Management Co., Ltd.)
“China” or “PRC”	the People’s Republic of China, but for the purposes of this annual report and for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong
“Company”, “our Company”, “JNCEC”, “we” or “us”	北京京能清潔能源電力股份有限公司(Beijing Jingneng Clean Energy Co., Limited)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign invested ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“HK\$” or “Hong Kong dollars” or “HK dollars” or “HKD”	Hong Kong dollars, the lawful currency for the time being of Hong Kong



Definitions

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRSs”	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PBOC”	中國人民銀行(People’s Bank of China)
“Renminbi” or “RMB”	the lawful currency of the PRC
“Reporting Period”	the year ended 31 December 2024
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holder(s) of our Shares, including holders of H shares and holders of domestic shares of the Company
“Shares”	shares in the share capital of the Company, with a nominal value of RMB1.00 each
“Supervisor(s)”	the supervisor(s) of the Company
“Shenzhen Jingneng Leasing”	深圳京能融資租賃有限公司(Shenzhen Jingneng Financial Leasing Co., Ltd.)



Corporate Information

Registered Name	Beijing Jingneng Clean Energy Co., Limited
Directors	
Executive Directors	Mr. CHEN Dayu (<i>Chairman</i>) Mr. LI Minghui (<i>General Manager</i>) Mr. ZHANG Wei
Non-executive Directors	Mr. ZHOU Jianyu Mr. SONG Zhiyong Ms. ZHANG Yi
Independent Non-executive Directors	Ms. ZHAO Jie Mr. WANG Hongxin Mr. QIN Haiyan Ms. HU Zhiying
Strategy Committee	Mr. CHEN Dayu (<i>Chairman</i>) Mr. ZHANG Wei Mr. LI Minghui Mr. QIN Haiyan
Remuneration and Nomination Committee	Ms. ZHAO Jie (<i>Chairman</i>) Ms. ZHANG Yi Ms. HU Zhiying
Audit Committee	Ms. HU Zhiying (<i>Chairman</i>) Mr. SONG Zhiyong Ms. ZHAO Jie
Legal and Compliance Management Committee	Mr. ZHOU Jianyu (<i>Chairman</i>) Mr. LI Minghui Mr. WANG Hongxin
Supervisors	Mr. SUN Li Mr. LIU Guoli Ms. QIN Yi
Joint Company Secretaries	Mr. ZHANG Wei and Mr. CHEUNG Kai Cheong Willie



Corporate Information

Authorized Representatives

Mr. CHEN Dayu
7/8/9 Floor, No. 6 Xibahe Road,
Chaoyang District, Beijing, the PRC

Mr. ZHANG Wei
7/8/9 Floor, No. 6 Xibahe Road,
Chaoyang District, Beijing, the PRC

Registered Office

Room 118, No. 1 Ziguang East Road,
Badaling Economic Development Zone,
Yanqing District, Beijing, the PRC

Principal Place of Business in the PRC

7/8/9 Floor, No. 6 Xibahe Road,
Chaoyang District, Beijing, the PRC

Principal Place of Business in Hong Kong

40/F, Dah Sing Financial Centre,
248 Queen's Road East, Wanchai, Hong Kong

Principal Bankers

China Merchants Bank Co., Ltd.
(Dongzhimen Branch)
Floor 2, Tianheng Mansion,
No. 46 Dongzhimen Waidajie,
Dongcheng District, Beijing, the PRC

Bank of China Limited
(Beijing Economic and
Technological Development Zone Sub-Branch)
3 East Rongjing Street,
Daxing District, Beijing, the PRC

Agricultural Bank of China Limited
(Fengtai Branch)
No. 9, East Avenue Street,
Fengtai District, Beijing, the PRC

Industrial and Commercial Bank of China Limited
(Taoranting Branch)
No. 55, Taoranting Road,
Xicheng District, Beijing, the PRC

International Auditor

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditor
Certified Public Accountants
35/F, One Pacific Place,
88 Queensway, Hong Kong



Corporate Information

Domestic Auditor

Baker Tilly International Certified Public Accountants (Special General Partnership)
Building 12A,
Foreign Cultural and Creative Garden,
19 Chegongzhuang West Road,
Haidian District, Beijing

Hong Kong Legal Advisors

Morgan, Lewis & Bockius
19th Floor, Edinburgh Tower
The Landmark, 15 Queen's Road
Central, Hong Kong

PRC Legal Advisors

Tian Yuan Law Firm
Suite 509, Tower A,
Corporate Square,
35 Financial Street,
Xicheng District, Beijing

H Share Registrar

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

Stock Code

579

Company's Website

www.jncec.com

Listing Place

The Stock Exchange of Hong Kong Limited