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北京能源國際控股有限公司

Beijing Energy International Holding Co., Ltd.

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Energy International Holding Co., Ltd. (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2023 (the “**Year**”), together with the comparative audited figures for the corresponding period in 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Diversification of Investment Locations and Portfolios

During the Year, the Group, striving to be a leading global eco-development solutions provider, was principally engaged in the development, investment, operation and management of power plants and other clean energy projects.

Power Plant Projects

The Group has accelerated the pace of scale expansion development of clean energy by actively expanding the management scale of the solar power, wind power and hydro power businesses through self-development and mergers and acquisitions, as well as continuously improving the management of its clean energy power business. As at 31 December 2023, the Group had 140 (2022: 105) solar power plants, 28 (2022: 20) wind power plants, 26 (2022: Nil) hydro power plants and 1 (2022: Nil) energy storage power station with aggregate grid-connected installed capacity of approximately 8,577 megawatts (“**MW**”) (2022: approximately 5,603MW). As at 31 December 2023, except for 1 and 2 wind power plants which were located in Vietnam and Australia respectively, the rest of the power plants of the Group were in the People’s Republic of China (“**PRC**”). The Group has well-diversified its power plants in 26 (2022: 23) different provinces in the PRC during the Year. In addition, as at 31 December 2023, the Group also held 2 (2022: 2) solar power plants, 1 (2022: 1) wind power plant and 2 (2022: Nil) hydro power plants through its associates with a total grid-connected installed capacity of approximately 576MW (2022: approximately 224MW).

The Group strategically develops, constructs and acquires power plants to achieve predetermined minimal rate of return and selects its power plants based on a combination of factors, including solar irradiation, wind velocity of the site, water resources conditions, applicable feed-in tariffs (“**FITs**”), government subsidies, conditions for local grid connection, electricity transmission infrastructure and demand for electricity, etc.

Other Clean Energy Projects

The Group owned development rights in hydro power with an expected capacity of approximately 5 gigawatts (“**GW**”). The Company indirectly holds 75% of the equity interest in the project companies while the remaining 25% is indirectly held by the People’s Government of Xizang Autonomous Region. The Group is waiting for the planning of the PRC government’s ecological red line before the construction of any hydro power plants.

In the short run, the Group will continue to focus on the development of solar power, wind power, hydro power and energy storage businesses, while diversifying its clean energy portfolios in order to supplement the multi-type energy supply in the long run.

Electricity Generation

During the Year, the total electricity volume generated by the power plants held by the subsidiaries of the Company has significantly increased from approximately 7,141,204 megawatt-hours (“MWh”) for the year ended 31 December 2022 to approximately 11,994,209MWh, or by approximately 68%. All these power plants are grid-connected and are generating electricity steadily.

Table 1: Summary of Power Plants

	Year ended 31 December							
	2023			Weighted average utilisation hours (Hours)	2022			
Number of power plants	Grid-connected installed capacity (MW)	Electricity generation volume (MWh)	Number of power plants		Grid-connected installed capacity (MW)	Electricity generation volume (MWh)	Weighted average utilisation hours (Hours)	
Subsidiaries								
Solar power plants	140	6,053	6,960,575	1,413	105	4,842	5,974,027	1,353
Wind power plants	28	1,472	2,603,386	2,769	20	761	1,167,177	2,560
Hydro power plants ^{Note (1)}	26	952	2,430,248	2,552	-	-	-	-
Energy storage power station ^{Note (2)}	1	100	-	N/A	-	-	-	-
	<u>195</u>	<u>8,577</u>	<u>11,994,209</u>		<u>125</u>	<u>5,603</u>	<u>7,141,204</u>	
Associates								
Solar power plants	2	24	31,430	1,420	2	24	31,858	1,339
Wind power plant	1	200	746,097	2,132	1	200	55,520	N/A
Hydro power plants	2	352	1,009,630	2,872	-	-	-	-
	<u>5</u>	<u>576</u>	<u>1,787,157</u>		<u>3</u>	<u>224</u>	<u>87,378</u>	
	<u><u>200</u></u>	<u><u>9,153</u></u>	<u><u>13,781,366</u></u>		<u><u>128</u></u>	<u><u>5,827</u></u>	<u><u>7,228,582</u></u>	

Notes:

- (1) Since the electricity volume generated by the newly acquired hydro power plants was only recorded starting from their respective completion dates of acquisition, and the period was less than twelve months, the weighted average utilisation hours were not comparable and therefore not applicable.
- (2) Since the energy storage power station was connected to the grid by the end of the Year, the electricity volume was nearly zero and the weighted average utilisation hour was not available.

The details of the electricity volume generated from each province for the Year are set out below. For accounting purpose, the volume of electricity generated by the newly acquired or constructed power plants during the Year was only recorded starting from their respective completion dates of acquisition or construction, as the case may be.

Table 2: Information of Power Plants by Settlement Types

Settlement types	Locations	As at 31 December 2023				Grid-connected installed capacity (MW)	Year ended 31 December 2023		Average tariff per kWh (net of VAT) (RMB)
		Number of solar power plants	Number of wind power plants	Number of hydro power plants	Number of energy storage power station		Electricity generation volume (MWh)	Revenue (RMB million)	
I. Power plants held by the subsidiaries of the Company									
(i) Total capacity on-grid⁽¹⁾									
	Yunnan, China	10	-	26	-	1,294	2,522,916	571	0.23
	Hebei, China	16	-	-	-	1,293	1,797,029	607	0.34
	Inner Mongolia, China	24	-	-	-	805	1,288,440	767	0.59
	Shanxi, China	5	8	-	-	673	1,478,756	722	0.49
	Xinjiang, China	6	4	-	-	519	780,169	366	0.47
	Shandong, China	9	-	-	-	469	375,139	176	0.47
	Guangdong, China	5	-	-	-	430	198,592	151	0.76
	Anhui, China	3	-	-	-	340	443,352	256	0.58
	Shaanxi, China	1	-	-	-	300	465,887	315	0.68
	Qinghai, China	4	1	-	-	240	361,586	286	0.79
	Ningxia, China	2	-	-	-	220	323,296	246	0.76
	Jiangsu, China	-	2	-	-	200	218,149	83	0.38
	Liaoning, China ⁽²⁾	2	-	-	-	200	-	-	-
	Guangxi, China	2	-	-	1	179	84,063	69	0.82
	Heilongjiang, China	-	7	-	-	145	172,632	56	0.32
	Xizang, China	7	-	-	-	135	158,987	131	0.82
	Hunan, China	2	-	-	-	120	116,744	98	0.84
	Gansu, China	1	-	-	-	100	142,843	119	0.83
	Hubei, China	1	-	-	-	100	113,246	98	0.87
	Hainan, China	1	-	-	-	100	9,491	4	0.40
	Henan, China	3	3	-	-	74	128,800	44	0.34
	Zhejiang, China	2	-	-	-	61	69,489	57	0.82
	Jiangxi, China	1	-	-	-	60	74,137	34	0.46
	Sichuan, China	2	-	-	-	50	83,264	56	0.67
	Jilin, China	1	-	-	-	15	20,588	14	0.66
	Australia	-	2	-	-	312	390,012	125	0.32
	Vietnam	-	1	-	-	46	101,772	68	0.67
	Sub-total	110	28	26	1	8,480	11,919,379	5,519	0.46
(ii) Surplus capacity on-grid⁽¹⁾									
	China (no partition)	30	-	-	-	97	74,830	49	0.65
	Sub-total	30	-	-	-	97	74,830	49	0.65
	Total	140	28	26	1	8,577	11,994,209	5,568	0.46
II. Power plants held by the associates of the Company									
	Shanxi, China	-	1	-	-	200	353,324	153	0.43
	Jiangsu, China	2	-	-	-	24	31,430	67	2.12
	Yunnan, China	-	-	2	-	352	1,009,630	235	0.23
	Australia	-	-	-	-	-	392,773	178	0.45
	Total	2	1	2	-	576	1,787,157	633	0.35
Grand Total		142	29	28	1	9,153	13,781,366	6,201	0.45

Notes:

- The total capacity on-grid mode refers to the settlement of all electricity volume generated by a power plant with the grid; while the surplus capacity on-grid mode means that a portion of the electricity volume generated by a power plant is sold directly to the end-users and the surplus electricity is settled with the grid.
- Since these power plants were newly acquired in December 2023, there was neither electricity generation recorded nor revenue consolidated during the Year.

Financing

The power generation business is capital intensive in nature. The Group has been exploring various financing channels to enhance its financing capability and reduce its finance costs. As at 31 December 2023, the effective interest rate per annum for bank and other borrowings was approximately 3.92% (2022: approximately 4.18%). The slight decrease in the effective interest rate per annum is mainly attributable to the arrangement that the Group has completed refinancing the high-interest borrowings with low-interest borrowings in RMB. Although the scale of the RMB financing continues to expand, the new financing remains at a low-interest level, which comprehensively leads to a decrease in the effective interest rate.

Pursuant to the trust contract (the “**Trust Contract**”) entered into between BEI Energy Development (Beijing) Co., Ltd.* (京能國際能源發展(北京)有限公司) (“**BEIED**”) and China Industrial International Trust Limited* (興業國際信託有限公司) (“**China Industrial International Trust**”) in March 2023, the issuance of the Asset-Backed Commercial Papers (“**ABCP**”) on National Association of Financial Market Institutional Investors to the qualified investors in the PRC has been successfully completed of a total size of approximately RMB1,000 million. Upon the delivery of the underlying assets by BEIED in accordance with the Trust Contract, China Industrial International Trust has transferred the proceeds from the issue of the ABCP to BEIED. The issuance of ABCP diversifies the Group’s fund-raising channels to access the low-cost capital, which in turn can be applied to improve the financing structure and to reduce the balance of trade receivables of the Group. Further details are set out in the announcement of the Company dated 10 March 2023 and the circular of the Company dated 28 April 2023.

In March 2023, a publicly-offered infrastructure securities investment fund, which is the first publicly-offered infrastructure securities investment fund in the photovoltaic power sector in the PRC registered under the name of AVIC Jingneng Photovoltaics Closed-end Infrastructure Securities Investment Fund* (中航京能光伏封閉式基礎設施證券投資基金) (Fund Code: 508096) (“**REITs**”) was successfully listed on the Shanghai Stock Exchange and has raised a total subscription of approximately RMB2,934.6 million. The listing of the REITs can benefit the Group from obtaining funds for its operations, reducing its net borrowings, improving its liquidity and gearing position and providing capital to fund new investment opportunities. Further details are set out in the announcements of the Company dated 8 April 2022, 6 July 2022, 12 August 2022, 30 December 2022 and 13 March 2023 and the circular of the Company dated 3 October 2022.

In May 2023, BEIED successfully launched the asset-backed securities program (the “**ABS Program**”) on the Shanghai Stock Exchange. Pursuant to which, the asset-backed securities (“**ABS**”) would be issued under the ABS Program in the size of approximately RMB700 million with the transfer of the underlying assets by BEIED to China Merchants Securities Assets Management Co., Ltd.* (招商證券資產管理有限公司) (“**CMAM**”) in accordance with the asset sale and purchase agreement entered into between BEIED, as the vendor and original interest owner, and CMAM, as the purchaser and project manager of the ABS Program. The issuance of the ABS under the ABS Program can diversify the Group’s fund-raising channels to access low-cost capital, which in turn can be applied to improve the financing structure of the Group and promote its operating activities and investments. It also allows the Group to meet liquidity development needs and therefore increase capital use efficiency and enhance operational capabilities for the Group. Further details are set out in the announcement of the Company dated 15 November 2022 and the circular of the Company dated 30 November 2022.

On 27 July 2023, the Company successfully registered the perpetual medium-term notes in the aggregate amount of not more than RMB5,000 million (the “**MTN**”) with the National Association of Financial Market Institutional Investors in the PRC. Pursuant to which, the MTN would be issued in multiple tranches as and when appropriate within 2 years from 27 July 2023. During the Year, the issues of the first, second and third tranches of the MTN of issue sizes of RMB1,000 million, RMB1,500 million and RMB1,000 million at fixed distribution rates of 3.68% per annum, 3.77% per annum and 3.65% per annum have been completed on 20 September 2023, 20 October 2023 and 16 November 2023, respectively. The issues of the MTN could further diversify the funding channels of the Company for facilitating the future business expansion of the Company. Further details are set out in the announcements of the Company dated 21 September 2023, 24 October 2023 and 17 November 2023, respectively.

FINANCIAL REVIEW

During the Year, the Group recorded a net profit of approximately RMB472 million (2022: approximately RMB472 million). The net profit during the Year was approximately the same with the year ended 31 December 2022.

Revenue and EBITDA

During the Year, the revenue and EBITDA were approximately RMB5,568 million and RMB4,559 million, respectively (2022: approximately RMB4,115 million and RMB3,465 million, respectively). The increase in revenue and EBITDA of the Group was attributable to: (i) the expansion in grid-connected installed capacity from approximately 5,603MW to approximately 8,577MW or around 53.1% by way of acquisition and self-development of projects; (ii) effective operation and management of power plants; and (iii) recognition of interest income on deposits for investments during the Year.

The average tariff per kilowatt-hour (“**kWh**”) (net of VAT) for the Year was approximately RMB0.46 (2022: approximately RMB0.58). The decrease in the average tariff per kWh (net of VAT) of the Company was mainly attributable to the continuous increase in the grid-connected installed capacity of the grid-parity solar power and hydro power generation projects of the Group, and the proportion of the electricity generation volume of these projects in the total electricity generation volume has increased substantially. Since the electricity price of the grid-parity solar power and hydro power generation projects does not include subsidies, a downward trend in the overall average tariff per kWh (net of VAT) is resulted. Table 2 summarises the details of the breakdown of revenue generated by settlement types and locations.

Finance Costs

The total finance costs increased from approximately RMB1,514 million for the year ended 31 December 2022 to RMB1,997 million during the Year, or a rise of approximately 31.9%. It was mainly attributable to the commencement of self-development of power plants in a large scale and the gradual transition into operations of these power plants, which led to an increase in financing needs and overall finance costs.

Income Tax Expense

During the Year, the Group’s operations in the PRC are subject to the corporate income tax of the PRC (the “**PRC Corporate Income Tax**”). The statutory PRC Corporate Income Tax rate is 25%. Certain subsidiaries of renewable energy projects are entitled to preferential tax concession. Income tax on profits assessable outside the PRC has been provided at rates prevailing in the respective jurisdictions (2022: Same).

Impairment Charge on Property, Plant and Equipment

During the Year, the management of the Company (the “**Management**”) performed impairment assessment on property, plant and equipment with an impairment indicator of an indirect wholly-owned subsidiary as at 31 December 2023 and had reflected the latest market conditions and other relevant parameters in the assessment. The Group engaged an external independent valuer to assess the recoverable amount of property, plant and equipment. As a result of the impairment assessment, the Group recognised an impairment charge on property, plant and equipment of approximately RMB163 million (2022: Nil) for the Year. There was no substantial change in the operating conditions for the other remaining power plants of the Group and there was no impairment indication for the remaining power plants as compared to 2022 and therefore, no further impairment test was required for the Year.

Impairment Charge on Financial Assets

The Management performed impairment assessment on trade receivables and recognised an impairment charge of approximately RMB1 million for the Year (2022: impairment charge on tariff adjustment receivables of approximately RMB25 million).

Trade, Bills and Tariff Adjustment Receivables

The trade and bills receivables are usually settled within one to six months. For the tariff adjustment receivables representing government subsidies on renewable energy will be settled in accordance with prevailing government policies and prevalent payment pattern of the Ministry of Finance of the PRC.

Table 3: Breakdown of Trade, Bills and Tariff Adjustment Receivables

	31 December 2023		31 December 2022	
	Grid- connected installed capacity (MW)	RMB'million	Grid- connected installed capacity (MW)	RMB'million
Trade and bills receivables		294		352
Tariff adjustment receivables				
PRC				
Tariff Subsidy Project List	3,190	7,159	3,037	7,060
Others (Note)	5,387	766	2,566	909
Total	<u>8,577</u>	<u>8,219</u>	<u>5,603</u>	<u>8,321</u>

Note: Including power plants which have not been enlisted in the Tariff Subsidy Project List and other power plants which are not entitled to subsidies.

The problem of increasing amount of outstanding renewable energy subsidies affects the future development of the renewable energy industry in the PRC. In order to address this issue, in March 2022, the National Development and Reform Commission, the Ministry of Finance and the National Energy Administration issued a joint notice on a national self-examination of the renewable energy projects, focusing on the compliance, scale of installed capacity, volume of electricity generated, FITs, renewable energy subsidies and environmental protection, so as to ascertain the latest factual situation of the outstanding amount of the renewable energy subsidies. The PRC government may cancel the renewable energy subsidies for non-compliant renewable energy projects, thereby reducing the overall financial pressure of the accrued outstanding amount. During the year ended 31 December 2022, a solar power plant of the Group located in Inner Mongolia was alleged for certain non-compliance issues and the local authorities demanded for a compensation of approximately RMB216 million. Despite the Management considered that the allegation is invalid and without reasonable grounds, the Management agreed to return the required subsidy in order to maintain the Group's operation in Inner Mongolia. Therefore, a provision of the return of subsidy of approximately RMB181 million (2022: approximately RMB35 million) and a write-off of tariff adjustment receivable of approximately RMB110 million have been provided during the Year. During the Year, there is no significant update on the national self-examination of the renewable energy projects.

During the Year, the Group received tariff adjustment subsidies of about RMB1,352 million. The Group expected that new development on the national policy on the outstanding amount of the renewable energy subsidies will be announced, and this development is expected to reduce the outstanding situation of subsidies to be received by the Group.

Bank and Other Borrowings

The Group is actively seeking opportunities of financing/refinancing to lower the cost of funds and to improve liquidity.

As at 31 December 2023, the maturity and currency profile of the Group's bank and other borrowings are set out as follows:

	Within				Over	
	1 year	2nd year	3-5 years	6-10 years	10 years	Total
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
RMB	14,871	11,413	13,840	10,136	2,559	52,819
US\$	4,807	–	3,534	–	–	8,341
HK\$	140	–	–	–	–	140
AUD	941	532	–	–	–	1,473
	<u>20,759</u>	<u>11,945</u>	<u>17,374</u>	<u>10,136</u>	<u>2,559</u>	<u>62,773</u>
Less: Unamortised loan facilities fees	<u>(14)</u>	<u>(10)</u>	<u>(23)</u>	<u>(19)</u>	<u>(1)</u>	<u>(67)</u>
Carrying amount	<u><u>20,745</u></u>	<u><u>11,935</u></u>	<u><u>17,351</u></u>	<u><u>10,117</u></u>	<u><u>2,558</u></u>	<u><u>62,706</u></u>

Key Performance Indicators

The Group measures the delivery of its strategies and manages its business through regular measurements of several key performance indicators, particularly on the following ratios: EBITDA margin, debt to EBITDA ratio, funds from operations to net debt ratio and interest coverage ratio. The changes in the key performance indicators for the Year were mainly attributable to the expansion of the Group's business scale.

EBITDA Margin Ratio: EBITDA margin ratio is a measurement of the Group's operating profitability and is calculated as EBITDA divided by the revenue. The Group's EBITDA margin ratio has decreased by approximately 2% from approximately 84% for the year ended 31 December 2022 to approximately 82% for the Year. This was mainly due to additional operating expenses caused by business expansion during the Year.

Debt to EBITDA Ratio: Debt to EBITDA ratio is a measurement of the number of years that will take the Group to repay its debts assuming net debts and EBITDA are held constant. This ratio is calculated as the net debts divided by EBITDA. Net debts are calculated as total borrowings less cash deposits. Total borrowings include current and non-current bank and other borrowings and convertible bonds as shown in the consolidated statement of financial position. The ratio has increased during the Year to approximately 12.3 (2022: approximately 10.3).

Funds from Operations to Net Debt Ratio: Funds from operations to net debt ratio is a measurement of the Group's ability to pay its debts using its operating income alone. This ratio is calculated as the EBITDA net of cash interest paid divided by net debts. The ratio has decreased from approximately 5.8% for the year ended 31 December 2022 to approximately 4.8% for the Year.

Interest Coverage Ratio: Interest coverage ratio measures the Group's ability to pay interest on its interest-bearing debt. The ratio is calculated as EBITDA divided by net interest paid (actual interest paid minus actual interest income received during the Year). The ratio was approximately 2.49 for the Year (2022: approximately 2.49).

LIQUIDITY, FINANCIAL RESOURCES, GEARING RATIO AND CAPITAL STRUCTURE

As at 31 December 2023, the Group recorded current assets of approximately RMB17,718 million and current liabilities of approximately RMB28,397 million.

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group's level. To manage the Group's exposure to fluctuations in interest rates on each power plant project, appropriate funding policies will be applied including the use of bank and other borrowings, issue of convertible bonds, issue of senior notes, medium-term notes and corporate bonds or issue of new shares. The Management will continue its efforts in obtaining the most privileged rates and favourable terms to the Group for its financing.

The Group monitors its capital structure based on the gearing ratio. This ratio is calculated as net debts divided by total capital. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debts.

The capital structure (including its gearing ratio) of the Group as at 31 December 2023 was as follows:

	31 December 2023	31 December 2022
	<i>RMB' million</i>	<i>RMB' million</i>
Bank and other borrowings	62,706	43,790
Convertible bonds	343	355
	<hr/>	<hr/>
Total borrowings and convertible bonds	63,049	44,145
Less: Cash deposits	(6,806)	(8,023)
	<hr/>	<hr/>
Net debts	56,243	36,122
Total equity	17,063	10,183
	<hr/>	<hr/>
Total capital	73,306	46,305
	<hr/> <hr/>	<hr/> <hr/>
Gearing ratio	76.7%	78.0%
	<hr/> <hr/>	<hr/> <hr/>

Except for the US\$50 million convertible bonds and certain bank and other borrowings with aggregate amounts of approximately RMB22,681 million which were carried at fixed rates, the remaining borrowings of the Group bore floating interest rates.

During the Year, the decrease in gearing ratio was mainly attributable to the increase in equity as a result of the issues of the MTN. The Group will use its best endeavour to lower its gearing ratio in the future by deleveraging its liabilities, including but not limited to co-investing in power plants with strategic business partners to reduce the capital expenditure.

As at 31 December 2023, the cash deposits of the Group were denominated in the following currencies:

	Pledged deposits	Restricted cash	Cash and bank balances	Total
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
RMB	619	6	4,979	5,604
HK\$	–	7	59	66
US\$	–	–	923	923
GBP	–	–	146	146
AUD	–	–	66	66
VND	–	–	1	1
	<u>619</u>	<u>13</u>	<u>6,174</u>	<u>6,806</u>
Representing:				
Non-current portion	150	–	–	150
Current portion	<u>469</u>	<u>13</u>	<u>6,174</u>	<u>6,656</u>
	<u>619</u>	<u>13</u>	<u>6,174</u>	<u>6,806</u>

As at 31 December 2023, the Group had capital commitment in respect of property, plant and equipment amounted to approximately RMB8,985 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Year, the Group had the following material acquisitions and disposals:

- (a) On 20 December 2022, MNS Wind Finance Pty Ltd (the “**Purchaser**”), a wholly-owned subsidiary of the Company, entered into the sale and purchase agreements with Goldwind International Moorabool Limited and Goldwind International Moorabool South Limited (the “**Vendors**”) to acquire 25% of the issued share capital in each of Moorabool Wind Farm (Holding) Pty Ltd and Moorabool South Wind Farm (Holding) Pty Ltd (the “**Target Companies**”) for a consideration of approximately AUD85 million (equivalent to approximately RMB403 million). On the same date, the Purchaser entered into the call option deeds with respective Vendors, pursuant to which the respective Vendors irrevocably grants to the Purchaser (or any other person nominated by the Purchaser) an option (the “**Call Options**”) to purchase, and require the respective Vendors to sell, additional 26% of the issued share capital in each of the Target Companies. After the transaction of acquiring 25% of the issued share capital of the Target Companies was completed in January 2023, the exercise of the Call Options and the acquisition of the additional 26% of the issued share capital of the Target Companies were approved by the Shareholders at the special general meeting of the Company held on 27 June 2023. The acquisitions of the additional 26% of the issued share capital of the Target Companies for a consideration of approximately AUD95 million (equivalent to approximately RMB462 million) were completed in July 2023. Details of the acquisitions are set out in the announcements of the Company dated 20 December 2022 and 27 April 2023, as well as the circular of the Company dated 9 June 2023.
- (b) On 4 March 2023, Beijing Yunbao Energy Development Co., Ltd.* (北京雲保能源開發有限公司) (“**BYED**”), which is a wholly-owned subsidiary of the Company established in the PRC with limited liability, entered into the capital increase agreement with Baoshan Energy Development Joint Stock Company Limited* (保山能源發展股份有限公司) (“**Baoshan Energy**”) and other independent third parties, pursuant to which BYED conditionally agreed to inject RMB885 million into Baoshan Energy by way of cash contribution for approximately 65.7% of the enlarged equity interest in Baoshan Energy (the “**Capital Increase**”). Upon the completion of the Capital Increase in May 2023, Baoshan Energy becomes a non wholly-owned subsidiary of the Company and the Company has in turn acquired the control of the 26 hydro power plants of Baoshan Energy with grid-connected installed capacity of hydro power reached 952MW. Further details are set out in the announcements of the Company dated 21 March 2023 and 21 April 2023.

- (c) On 27 September 2023, BEIED entered into the equity transfer agreement with Xinjiang Xinfengyu New Energy Development Co., Ltd.* (新疆鑫楓煜新能源開發有限公司) (“**Xinjiang Xinfengyu**”), pursuant to which BEIED conditionally agreed to purchase and the Xinjiang Xinfengyu conditionally agreed to sell the entire equity interest in Beitun City Fengyu Wind Energy Development Co., Ltd.* (北屯市楓煜風能開發有限公司) (“**Beitun City Fengyu**”), for a consideration of approximately RMB199 million. Beitun City Fengyu is a company established in the PRC with limited liability and principally engaged in the operation, maintenance and management of a wind power plant with grid-connected installed capacity of 49.5MW in the PRC. Upon the completion of the acquisition in October 2023, Beitun City Fengyu becomes an indirect non-wholly owned subsidiary of the Company. Further details are set out in the announcement of the Company dated 27 September 2023.
- (d) On 27 December 2023, BEIED entered into conditional equity transfer agreements with Tianjin Renhui New Energy Technology Co., Ltd.* (天津仁匯新能源科技有限公司) for the acquisitions of the entire equity interests in Daqing City Shengbu Electric Power Co., Ltd.* (大慶市盛步電力有限公司) (“**Daqing Shengbu**”) and Tianjin Huitong New Energy Co., Ltd.* (天津匯通新能源有限公司) (“**Tianjin Huitong**”) for considerations of approximately RMB101 million and RMB84 million, respectively. Daqing Shengbu and Tianjin Huitong are companies established in the PRC with limited liability and each is principally engaged in the operation, maintenance and management of a wind power plant with grid-connected installed capacity of 100MW. The acquisitions were completed in December 2023 and both Daqing Shengbu and Tianjin Huitong become an indirect non-wholly owned subsidiaries of the Company. Further details are set out in the announcement of the Company dated 27 December 2023.
- (e) During the Year, Group had also completed acquisitions of certain subsidiaries in the PRC with aggregate grid-connected installed capacity of 270MW. None of them is individually material to the Group.

Save as mentioned above, the Group did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the Year.

PERFORMANCE AND FUTURE PROSPECTS FOR SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2023, the Group had no significant investment. The Group will keep abreast of the changing market conditions and proactively identify suitable investment opportunities with good prospects to enhance its future financial performance and profitability.

MATERIAL RELIANCE ON KEY CUSTOMERS

The key customers in the PRC for the sales of electricity were subsidiaries of the State Grid Corporation of China (“**State Grid**”) and Inner Mongolia Power (Group) Co., Ltd. (“**Inner Mongolia Power**”) which are PRC state-owned electric utility companies that transmit and distribute power in the PRC. As at 31 December 2023, the receivables from the subsidiaries of State Grid and Inner Mongolia Power were approximately 69.5% and 19.9% of the total trade, bills and tariff adjustment receivables of the Group, respectively.

CHARGE ON ASSETS

As at 31 December 2023, approximately 39% of bank and other borrowings of the Group were secured by the pledge over certain power generating modules and equipment, guarantee deposits, the fee collection rights in relation to the sales of electricity in certain subsidiaries and/or pledge over the shares/equity interests of certain subsidiaries of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had 1,790 full-time employees (2022: 1,011). Employees were remunerated according to the nature of their positions, individual qualification, performance, work experience and market trends, with regular remuneration review to reward and motivate individual performance. The Group offers competitive compensation and benefit packages to different levels of staff, including additional medical insurance, discretionary bonuses, various training programmes, sponsorship for further study, as well as share option scheme for the benefits of the directors and eligible employees of the members of the Group. Total employee benefits expenses (excluding share-based payment expenses) for the Year amounted to approximately RMB537 million (2022: approximately RMB351 million).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group operates mainly in Mainland China and Hong Kong. For the operations in Mainland China, the transactions are mostly denominated in RMB. Minimal exposure to fluctuation in exchange rates is expected. For the operations in Hong Kong, most of the transactions are denominated in HK\$ and US\$. Since the exchange rate of US\$ against HK\$ is pegged to each other under the Linked Exchange Rate System, the exposure to fluctuation in exchange rates will mainly arise from the translation to the presentation currency of the Group. The Group did not resort to any currency hedging facility for the Year. However, the Management will enhance the monitoring on the Group’s foreign currency exposure, should the need arise.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group had no significant contingent liability.

SETTLEMENT WITH NEX GROUP

During the Year, NEX Group transferred cash of RMB6 million and will transfer the equity interest of its subsidiary which operates a solar power plant with fair value amounting to approximately RMB30 million in the first half of 2024 to the Group for settlement purpose. The Management considered there is sufficient provision for impairment on the balances due from NEX Group. Accordingly, no expected credit loss was recognised for the Year.

Further details are set out in the 2019 to 2022 annual reports of the Company and the announcements of the Company dated 12 May 2020, 13 May 2020, 9 June 2020, 19 July 2020, 31 July 2020, 28 September 2020, 30 March 2021, 29 March 2022 and 30 March 2023.

MATERIAL EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

Except for those disclosed in Note 16 to the consolidated financial statements of this announcement below, the Group did not have any other material events occurred after 31 December 2023 and up to the date of this announcement.

PROSPECTS

The year of 2024 is a critical year for implementing the “14th Five-Year Plan.” As the global energy landscape continues to evolve, the transformation of energy, technological innovation, and the optimization of the industrial chain have become the key opportunities and significant challenges for the high-quality development of the energy industry in the future.

The Company will continue to closely follow the national “dual carbon” strategy, deeply embedding itself in the energy sector, and solidly developing a philosophy of green development. The Company will continuously diversify its industry layout of clean energy, aiming to create a new ecosystem of high-quality development of various green energy including wind power, photovoltaic power, hydro power, hydrogen energy and integrated energy. In line with the national direction for artificial intelligence industry development, the Company will accelerate the construction of the artificial intelligence public computing platform in Beijing, effectively expand the clean energy industry chain, and gradually form a new pattern that develops “energy + computing” as main sector with the synergistic development of six sectors including wind and photovoltaic power, hydro power, integrated energy, gas turbines, green fuels, and computing.

In terms of the layout of wind and photovoltaic power, we will continue to focus on the main business of wind and photovoltaic power and solidly promote the strategic layout of “dual-circle, one-center and one-focus”. The Company will focus on developing large-scale base projects and high-yield synergistic projects and enhancing its brand influence, striving to further rapidly expand the installed capacity and resource reserves within the year.

In terms of the layout of hydro power, by closely following national policies, we will preemptively make overall arrangements, and steadily advances to expand and optimize the hydro power asset segment. We will actively seek to secure the development rights for large river basins hydro power, accelerate the development of the clean energy base in southeastern Xizang with the Chayu River basin as the core, rely on Baoshan Energy to promptly follow up on the hydro power development dynamics of the Nujiang River basin, and actively pursue the leading right in developing the Yansangshu hydro power plant and Guangpo hydro power plant in Longling County, sparing no efforts to advance the merger and acquisition of large-scale high-quality hydro power plant assets.

In terms of the layout of integrated energy, we will adhere to a service-oriented philosophy, dare to innovate, and continuously improve our self-developed “Smart Operation and Maintenance Platform”, enhancing smart operation and maintenance service capabilities. We will conduct in-depth studies on the feasibility of charging pile resources and supporting services, and actively explore innovative models for energy storage’s participation in grid auxiliary services and spot trading as an independent market entity. We will assess investment return rates and gradually develop energy storage system integration services, creating a new situation for the comprehensive development of integrated smart energy business.

In terms of the layout of gas turbines, we will use the Yangxi project as a model to develop our gas-fired integrated energy business, build a multi-energy and complementary clean energy supply system, and accelerate the development of talent pool. We will enhance the development of integrated energy projects of natural gas heating, cooling and power (天然氣熱冷電), focusing on the projects layout in south regions with stable gas sources and high thermal loads to create an effect of scale.

In terms of the layout of green fuels, the green fuel industry is on the cusp of a new opportunity for comprehensive acceleration. The Company will firmly adhere to its green hydrogen and chemical development strategy, carry out top-level design, and simultaneously advance multiple model projects for hydrogen production from wind and photovoltaic power, hydrogen-ammonia production from wind and photovoltaic power, and hydrogen production from wind power and waste power. By seizing strategic resources, the Company aims to form a significant growth pole for its sustainable development.

In terms of the layout of digital computing, the Company will conduct research and formulate a medium to long-term development plan for its digital computing business. We will accelerate the deployment of computing business in Beijing, Tianjin, Hebei, Mongolia and other regions, aiming to provide the digital infrastructure for Beijing’s artificial intelligence industry. By gradually establishing ultra-large-scale intelligent computing centers, data centers, and industrial clusters and prioritising capability improvement in computing construction and operation, platform services, and algorithm optimization, we will create an integrated development model of the main business of “energy + computing”, aiming to accelerate the formation of new stable profit growth points.

A great change unprecedented in a century is also a great opportunity unprecedented in a century. Under the guidance of the “14th Five-Year Plan,” the Company will continue to be driven by value, with high-quality development at its core, and accelerate the construction of a green-oriented, multi-energy complementary, and intelligently synergistic clean energy industry ecosystem. The Company will anchor its goals, bravely take on historical missions, strive with vigor, be bold in innovation, and work tirelessly to promote high-quality development of energy industry in the new era. We will continue to move swiftly and steadily on the path of green and low-carbon development, forging ahead with determination and perseverance.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	<i>Note</i>	2023 <i>RMB'million</i>	2022 <i>RMB'million</i>
Sales of electricity		3,080	1,800
Tariff adjustment		2,488	2,315
Revenue	3	5,568	4,115
Other income	4	440	51
Employee benefits expenses (excluding share-based payment expenses)		(537)	(351)
Maintenance costs		(188)	(123)
Legal and professional fees		(95)	(35)
Tax and surcharges		(56)	(35)
Other expenses		(573)	(157)
EBITDA#		4,559	3,465
Acquisition costs arising from business combinations		(8)	(23)
Depreciation of property, plant and equipment		(1,795)	(1,244)
Depreciation of right-of-use assets		(108)	(72)
Bargain purchase gains arising from business combinations		79	7
Fair value losses on financial assets at fair value through profit or loss		–	(1)
Fair value losses on financial liabilities at fair value through profit or loss		(1)	(22)
Finance income	5	69	38
Finance costs	6	(1,997)	(1,514)
Impairment charge on property, plant and equipment		(163)	–
Impairment charge on financial assets		(1)	(25)
Share-based payment expenses		(10)	(5)
Share of profits of investments accounted for using equity method		30	19
Profit before income tax		654	623
Income tax expenses	7	(182)	(151)
PROFIT FOR THE YEAR		472	472

	<i>Note</i>	2023	2022
		<i>RMB'million</i>	<i>RMB'million</i>
PROFIT FOR THE YEAR ATTRIBUTABLE TO			
Shareholders of the Company		42	269
Non-controlling interests		430	203
		<u>472</u>	<u>472</u>
EARNINGS PER SHARE ATTRIBUTABLE TO			
SHAREHOLDERS OF THE COMPANY			
	<i>8</i>		
Basic (RMB cents)		0.19	1.20
Diluted (RMB cents)		0.19	1.20
		<u>0.19</u>	<u>1.20</u>
DIVIDENDS			
	<i>9</i>	199	–
		<u>199</u>	<u>–</u>

EBITDA represents earnings before acquisition costs arising from business combinations, depreciation, bargain purchase gains arising from business combinations, fair value adjustments, finance income, finance costs, impairment charge on property, plant and equipment, impairment charge on financial assets, provision for compensation, share-based payment expenses, share of profits of investments accounted for using equity method and income tax expenses. EBITDA is not a measure of performance under Hong Kong Financial Reporting Standards, but is widely used by the management for monitoring business performance of a company from operational perspective. It may not be comparable to similar measures presented by the other companies.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	<i>RMB'million</i>	<i>RMB'million</i>
PROFIT FOR THE YEAR	<u>472</u>	<u>472</u>
Other comprehensive loss		
<i>Items that may be reclassified to profit or loss</i>		
Currencies translation differences	(90)	(389)
Cash flow hedge	<u>16</u>	<u>–</u>
Other comprehensive loss for the year, net of tax	<u>(74)</u>	<u>(389)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>398</u></u>	<u><u>83</u></u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		
ATTRIBUTABLE TO		
Shareholders of the Company	(40)	(120)
Non-controlling interests	<u>438</u>	<u>203</u>
	<u><u>398</u></u>	<u><u>83</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Note</i>	2023	2022
		<i>RMB'million</i>	<i>RMB'million</i>
ASSETS			
Non-current assets			
Property, plant and equipment		64,150	32,374
Right-of-use assets		2,466	1,680
Intangible assets		1,166	1,166
Investments accounted for using equity method		1,020	736
Other receivables, deposits and prepayments		3,296	4,548
Pledged deposits		150	947
Deferred tax assets		70	12
Total non-current assets		72,318	41,463
Current assets			
Financial assets at fair value through profit or loss		57	34
Trade, bills and tariff adjustment receivables	<i>10</i>	8,218	8,296
Other receivables, deposits and prepayments		2,787	3,459
Pledged deposits		469	1,829
Cash and cash equivalents		6,187	5,247
Total current assets		17,718	18,865
Total assets		90,036	60,328
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	<i>11</i>	1,921	1,924
Reserves		3,834	4,067
		5,755	5,991
Perpetual medium-term notes	<i>12</i>	3,494	–
Non-controlling interests		7,814	4,192
Total equity		17,063	10,183

	<i>Note</i>	2023	2022
		<i>RMB'million</i>	<i>RMB'million</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,287	1,068
Convertible bonds	<i>13</i>	–	355
Contingent consideration payables		3	19
Bank and other borrowings	<i>14</i>	41,961	29,585
Deferred income		25	26
Deferred tax liabilities		1,135	482
Other payables and accruals		165	–
		<hr/>	<hr/>
Total non-current liabilities		44,576	31,535
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current liabilities			
Other payables and accruals		7,156	4,332
Lease liabilities		151	71
Contingent consideration payables		2	2
Bank and other borrowings	<i>14</i>	20,745	14,205
Convertible bonds	<i>13</i>	343	–
		<hr/>	<hr/>
Total current liabilities		28,397	18,610
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total liabilities		72,973	50,145
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Total equity and liabilities		90,036	60,328
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is a company incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business in Hong Kong is Unit 1012, 10/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The ordinary shares of the Company are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Beijing Energy Investment Holding (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and wholly owned by Beijing Energy Holding Co., Ltd.* (北京能源集團有限責任公司) (“**BEH**”), which is a direct controlling shareholder holding approximately 32.14% of the issued share capital of the Company. BEH is a state-owned company in the PRC indirectly wholly-owned by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality.

The Group is principally engaged in the development, investment, operation and management of power plants and other clean energy projects. These consolidated financial statements are presented in RMB and rounded to the nearest million (“**million**”), unless otherwise stated.

2 BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the accounting principles generally accepted in Hong Kong. The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit or loss (“**FVTPL**”) and the financial liabilities at FVTPL which were carried at fair values. The preparation of these consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(a) Going concern

During the year ended 31 December 2023, the Group reported profit of approximately RMB472 million. As at 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB10,679 million. As at 31 December 2023, the Group had total bank and other borrowings of approximately RMB62,773 million, of which approximately RMB20,759 million are scheduled to be repayable within the coming twelve months from 31 December 2023. As at the same date, its cash and cash equivalents amounted to approximately RMB6,187 million.

The Group has certain contractual and other arrangements to settle its financial obligations and various capital expenditures. As at 31 December 2023, the Group had capital commitment of approximately RMB8,985 million, mainly in relation to the construction of solar power plants and wind power plants with an aggregate expected capacity of about 5GW.

The above matters indicated that the Group will need to secure a substantial amount of funds in the foreseeable future to finance these financial obligations and capital expenditures under various contractual and other arrangements. All the above conditions indicated the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The Directors have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 31 December 2023 and are of the opinion that, taking into account the following plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2023:

- (i) In March 2024, the Group has successfully completed the issue the fourth tranche of the perpetual medium-term notes of RMB800 million at a distribution rate of 3% per annum.
- (ii) Subsequent to 31 December 2023, the Group successfully obtained short-term bank and other borrowings of approximately RMB150 million and long-term bank and other borrowings of approximately RMB8,478 million.
- (iii) As at 31 December 2023, the Group had obtained loans from BEH of approximately RMB10,865 million and loans from a subsidiary of BEH of approximately RMB7,470 million of which the total current portion amounted to RMB7,071 million. According to the experience and actions in the past three years, the Directors are confident that all existing loan from BEH and its subsidiary would be able to be further extended or draw down new loans when needed. The Directors are in the process of negotiating actively with a state-owned entity to defer the repayment of an amount due to them.

- (iv) The Directors are also in the process of negotiating with various banks and other financial institutions to raise short-term or long-term financing of approximately unutilised RMB1,850 million with the credit enhancement guarantee provided by BEH. It is in the opinion of the Directors that the remaining unutilised guarantee limit is sufficient for the Group's funding need. They are confident that, with the credit enhancement guarantee provided by BEH, the Group will be able to further obtain and draw down short-term or long-term financing from banks or other financial institutions as and when needed. According to the past experience, the Directors are also confident that most of the financing from banks and other financial institutions would be able to extend when needed.
- (v) The Group has obtained a letter of financial support from BEH, who agreed to take measures and to provide financial support to the Group for a period of twelve months from 28 March 2024 so as to enable the Group to have sufficient working capital to meet its liabilities and obligations as and when they fall due and to continue to carry on its business.
- (vi) The solar power plants, wind power plants and hydro power plants currently held by the Group have already achieved on-grid connection. They are expected to generate operating cash inflows to the Group.

In the opinion of the Directors, in light of the above plans and measures, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 December 2023. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainty exists as to whether management of the Group can achieve the plans and measures described (iii) to (vi) above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability (i) to secure the short-term and long-term borrowings and to extend the existing borrowings from banks and other financial institutions as and when needed; (ii) to obtain the financial support from BEH as and when needed, (iii) to further extend or draw down new loans from BEH and its subsidiary as and when needed, (iv) to defer the repayment of an amount due to a state-owned entity as and when needed and (v) to generate adequate operating cash inflow in the expected timeframe from its existing renewable energy projects as well as those to be constructed.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(b) **Changes in Accounting Policy and Disclosures**

(i) ***New and amended HKFRSs that are effective for annual periods beginning on 1 January 2023***

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2023:

HKFRS 17	Insurance Contracts and Related Amendments
Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from A Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

(ii) ***Issued but not yet effective HKFRSs***

At the date of authorisation of these consolidated financial statements, certain amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

Amendments to HKFRS 16	Lease liabilities in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants (“ 2022 Amendments ”) ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective for annual periods beginning on or after 1 January 2025

³ Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 "Non-current Liabilities with Covenants" ("2022 Amendments")

The amendments provide further guidance to clarify how to classify debt and other liabilities as current or non-current which are summarised as follows:

- It clarifies that a liability is non-current if an entity has a right (instead of unconditional right as stated before the amendments) to defer settlement of the liability for at least twelve months from the end of the reporting period. This right has to be existed at the end of the reporting period, regardless of whether the lender tests for compliance at the date or at a later date;
- Any expectations about events after the reporting period do not impact the assessment made at the end of the reporting period as to the classification of the liability; and
- "Settlements" are newly defined as a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of cash, other economic resources (e.g. goods or services), or entity's own equity instruments. Thus, if the counterparty conversion option is classified as liability under HKAS 32 "Financial Instruments: Presentation", the transfer of equity instruments by exercising the conversion option constitute settlement of liability for the purpose of current or non-current classification of liabilities. One exception to the definition is that if the counterparty conversion option is classified as equity in accordance with HKAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liability is current or non-current.

2022 Amendments issued in 2022 clarified that only covenants of a liability arising from a loan arrangement, which an entity must comply with on or before the reporting date (even if the covenant is only assessed after the reporting date) affect the classification of that liability as current or non-current. Those covenants to be complied with after the reporting date do not affect the classification of loan arrangements as current or non-current at the reporting date.

Besides, the 2022 Amendments required an entity to provide additional disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The information provided should enable users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period, including:

- the carrying amount of the related liabilities.

3 SEGMENT INFORMATION

The Chief Operating Decision-Maker (“CODM”) has been identified as the Board. The Management has determined the operating segments based on the internal reports reviewed by CODM in order to assess performance and allocate resources. The Group’s operating segments are structured and managed separately according to the nature of products sold or services provided by different strategic business units and subject to risks and returns that are different from those of the other operating segments. The Board assess the performance of the operating segments based on reporting operating results.

During the Year, CODM has changed its internal performance review to align more closely with the Group’s strategic decision and development. The Group’s operating segments have been redefined and aggregated in terms of similar economic characteristics and similar nature of products sold or services provided into the following reporting segments.

- (a) Solar power business – management and operation of solar power generation projects located in the PRC and overseas;
- (b) Wind power business – management and operation of wind power generation projects located in the PRC and overseas; and
- (c) Hydro power business – management and operation of hydro power generation projects located in the PRC.

Others include corporate income and expenses, other direct investments, energy storage business and others.

(a) **Business Segments**

(i) **Segment Revenue and Results, and Segment Assets and Liabilities**

	Solar power business <i>RMB'million</i>	Wind power business <i>RMB'million</i>	Hydro power Business <i>RMB'million</i>	Others <i>RMB'million</i>	Total <i>RMB'million</i>
Year ended 31 December 2023					
Revenue	<u>3,980</u>	<u>1,081</u>	<u>507</u>	<u>-</u>	<u>5,568</u>
Segment results	<u>1,970</u>	<u>592</u>	<u>267</u>	<u>(308)</u>	<u>2,521</u>
Unallocated other gains and losses					
Bargain purchase gains arising from business combinations					79
Acquisition costs arising from business combinations					(8)
Finance income					69
Finance costs					(1,997)
Share-based payment expenses					<u>(10)</u>
Profit before income tax					654
Income tax expenses					<u>(182)</u>
Profit after income tax					<u>472</u>
As at 31 December 2023					
Segment assets	42,723	27,213	9,458	2,514	81,908
Unallocated assets					<u>8,128</u>
Total assets					<u>90,036</u>
Total assets including:					
Investments in associates	132	425	289	174	1,020
Segment liabilities	21,817	12,989	4,284	27,760	66,850
Unallocated liabilities					<u>6,123</u>
Total liabilities					<u>72,973</u>

	Solar power business <i>RMB'million</i>	Wind power business <i>RMB'million</i>	Hydro power Business <i>RMB'million</i>	Others <i>RMB'million</i>	Total <i>RMB'million</i>
Year ended 31 December 2022					
Revenue	<u>3,623</u>	<u>492</u>	<u>–</u>	<u>–</u>	<u>4,115</u>
Segment results	<u>2,237</u>	<u>286</u>	<u>–</u>	<u>(403)</u>	<u>2,120</u>
Unallocated other gains and losses					
Bargain purchase gains arising from business combinations					7
Acquisition costs arising from business combinations					(23)
Finance income					38
Finance costs					(1,514)
Share-based payment expenses					<u>(5)</u>
Profit before income tax					623
Income tax expenses					<u>(151)</u>
Profit after income tax					<u>472</u>
As at 31 December 2022					
Segment assets	36,795	10,660	–	4,546	52,001
Unallocated assets					<u>8,327</u>
Total assets					<u>60,328</u>
Total assets including:					
Investments in associates	131	431	–	174	736
Segment liabilities	22,189	6,647	–	17,953	46,789
Unallocated liabilities					<u>3,356</u>
Total liabilities					<u>50,145</u>

(ii) **Other Segment Information**

	Year ended 31 December 2023				Total RMB'million
	Solar power business RMB'million	Wind power business RMB'million	Hydro power business RMB'million	Others RMB'million	
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	5,948	11,434	325	913	18,620
Depreciation of property, plant and equipment	(1,191)	(424)	(174)	(6)	(1,795)
Depreciation of right-of-use assets	(69)	(8)	(2)	(29)	(108)
Impairment charge on financial assets	(1)	-	-	-	(1)
Impairment charge on property, plant and equipment	(163)	-	-	-	(163)
Fair value losses on financial assets at FVTPL	(1)	1	-	-	-
Fair value losses on financial liabilities at FVTPL	-	-	-	(1)	(1)
Gain/(loss) on disposal of property, plant and equipment	1	-	(1)	-	-
Share of profits of investments accounted for using equity method	11	7	-	12	30

	Year ended 31 December 2022				Total RMB'million
	Solar power business RMB'million	Wind power business RMB'million	Hydro power business RMB'million	Others RMB'million	
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	2,635	630	-	106	3,371
Depreciation of property, plant and equipment	(1,048)	(192)	-	(4)	(1,244)
Depreciation of right-of-use assets	(49)	(2)	-	(21)	(72)
Impairment charge on other receivables	(25)	-	-	-	(25)
Provision for compensation	(35)	-	-	-	(35)
Fair value losses on financial assets at FVTPL	-	-	-	(1)	(1)
Fair value losses on financial liabilities at FVTPL	-	-	-	(22)	(22)
Gain/(loss) on disposal of property, plant and equipment	-	-	-	-	-
Share of profits of investments accounted for using equity method	17	2	-	-	19

(b) Geographical Segments

The major operating entities of the Group are domiciled in the PRC. The revenue of the Group from external customers by geographical area as follows:

	2023	2022
	<i>RMB'million</i>	<i>RMB'million</i>
The PRC	5,375	4,115
Australia	125	–
Vietnam	68	–
	<u>5,568</u>	<u>4,115</u>

The Group's non-current assets other than financial instruments and deferred tax assets by geographical area are as follows:

	2023	2022
	<i>RMB'million</i>	<i>RMB'million</i>
The PRC	62,842	34,910
Australia	5,664	475
Hong Kong	6	1
Vietnam	533	570
	<u>69,045</u>	<u>35,956</u>

(c) Information About Major Customers

During the Year, there were three (2022: three) customers which individually contributed over 10% of the Group's total revenue. The revenue contributed from each of these customers was as follows:

	2023	2022
	<i>RMB'million</i>	<i>RMB'million</i>
Customer A	723	655
Customer B	694	493
Customer C	571	465
	<u>571</u>	<u>465</u>

4 OTHER INCOME

	2023 <i>RMB'million</i>	2022 <i>RMB'million</i>
Interest income on deposits for investments (<i>Note (i)</i>)	292	–
Reversal of other payables (<i>Note (ii)</i>)	111	–
Operation and maintenance service income	26	7
Government grant	3	2
Compensation income	–	12
Others	8	30
	<u>440</u>	<u>51</u>

Notes:

- (i) During the development stage of power plants or merger and acquisition plans, the Group had made deposits for investments to the potential partners. Interest on deposits for investments would be recognised together with the return of the deposits for investments upon the completion or the termination of the relevant projects.
- (ii) The amount represents reversal of over provision of a compensation to a government authority.

5 FINANCE INCOME

	2023 <i>RMB'million</i>	2022 <i>RMB'million</i>
Interest income on bank balances and deposits	82	33
Amortisation of imputed interest income on pledged deposits	(13)	5
	<u>69</u>	<u>38</u>

6 FINANCE COSTS

	2023 <i>RMB'million</i>	2022 <i>RMB'million</i>
Interest expenses on bank and other borrowings	1,879	1,426
Loan facilities fees on bank and other borrowings	72	57
Interest expenses on lease liabilities	44	31
Interest expenses on restoration provision	2	–
	<u>1,997</u>	<u>1,514</u>

7 INCOME TAX EXPENSES

During the Year, the Group's operations in the PRC are subject to the PRC Corporate Income Tax. The statutory PRC Corporate Income Tax rate is 25%. Certain subsidiaries of renewable energy projects are entitled to preferential tax concession. Income tax on profits assessable outside the PRC has been provided at rates prevailing in the respective jurisdictions (2022: Same).

8 EARNINGS PER SHARE

	2023 <i>RMB'million</i>	2022 <i>RMB'million</i>
Profit attributable to shareholders of the Company	42	269
	<i>Million shares</i>	<i>Million shares</i>
Issued ordinary shares as at 1 January	22,428	22,428
Effect of repurchased ordinary shares	(14)	
Effect of cancelled ordinary shares	(27)	–
Weighted average number of ordinary shares (basic and diluted) at 31 December	22,387	22,428
	<i>RMB cents</i>	<i>RMB cents</i>
Basic earnings per share	0.19	1.20
Diluted earnings per share	0.19	1.20

(a) Basic

Basic earnings per share was calculated by dividing profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue, after adjusting the effect of repurchased ordinary shares, the effect of cancelled ordinary shares and the effect of issued new ordinary shares, during the years ended 31 December 2023 and 2022.

(b) Diluted

Diluted earnings per share was calculated based on profit attributable to the shareholders of the Company and by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all dilutive potential ordinary shares. For the Year, the Group had two (2022: two) categories of potential ordinary shares including share options and convertible bonds (2022: share options and convertible bonds).

A calculation for the share options had been performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. For the years ended 31 December 2023 and 2022, the computation of diluted earnings per share did not assume the exercise of the Company's share options because the exercise price of the share options was higher than the average market price of shares.

Convertible bonds were not assumed to be converted because the conversion price and the reset conversion price of the convertible bonds were higher than the average market price of shares for the periods from the date of issue to 31 December 2023 and 2022.

9 DIVIDENDS

(a) Dividends Paid to Shareholders of the Company

	2023	2022
	<i>RMB'million</i>	<i>RMB'million</i>
2022 final dividends of HK1.00 cent per ordinary share	<u>199</u>	<u>–</u>

A final dividend in respect of the year ended 31 December 2022 of HK1.00 cent (equivalent to approximately RMB0.90 cent) per ordinary share amounting to a total of approximately HK\$224 million (equivalent to approximately RMB199 million) was declared by the Board on 30 March 2023, which was approved by the Shareholders at the annual general meeting held on 27 June 2023 and has been paid on 21 July 2023. Such dividend was accounted for in equity as a distribution out of contributed surplus during the Year.

(b) Dividends Declared to Shareholders of the Company

The Board recommends to declare a final dividend of HK1.00 cent (equivalent to approximately RMB0.91 cent) per ordinary share (2022: HK\$1.00 cent (equivalent to approximately RMB0.90 cent) per ordinary share) for the Year subject to the approval of the Shareholders of the Company at the forthcoming annual general meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability as at 31 December 2023.

(c) Distribution to Holders of Perpetual Medium-Term Notes

The Company did not make any distribution to the holders of perpetual medium-term notes (2022: Nil) for the Year.

10 TRADE, BILLS AND TARIFF ADJUSTMENT RECEIVABLES

	2023 <i>RMB'million</i>	2022 <i>RMB'million</i>
Trade receivables	292	325
Tariff adjustment receivables	<u>7,925</u>	<u>7,969</u>
Trade and tariff adjustment receivables	8,217	8,294
Bills receivables	<u>2</u>	<u>27</u>
Trade, bills and tariff adjustment receivables	8,219	8,321
Less: accumulated impairment	<u>(1)</u>	<u>(25)</u>
	<u>8,218</u>	<u>8,296</u>

As at 31 December 2023, trade receivables of approximately RMB292 million (2022: approximately RMB325 million) represented receivables from sales of electricity and are usually settled within one to six months. Tariff adjustment receivables mainly represented the central government subsidies on renewable energy projects to be received from the State Grid and Inner Mongolia Power based on the respective electricity sale and purchase agreements for each of the Group's solar power plants and prevailing nationwide government policies.

Impairment charge of approximately RMB1 million was recognised by the Group during the Year on trade receivables of two solar power plants of the Group. During the year ended 31 December 2022, impairment charge of approximately RMB25 million was recognised by the Group on tariff adjustment receivables of a solar power plant in Inner Mongolia.

The problem of increasing amount of outstanding renewable energy subsidies affects the future development of the renewable energy industry in the PRC. In order to address this issue, in March 2022, the National Development and Reform Commission, the Ministry of Finance and the National Energy Administration issued a joint notice on a national self-examination of the renewable energy projects, focusing on the compliance, scale of installed capacity, volume of electricity generated, FITs, renewable energy subsidies and environmental protection, so as to ascertain the latest factual situation of the outstanding amount of the renewable energy subsidies. The PRC government may cancel the renewable energy subsidies for non-compliant renewable energy projects, thereby reducing the overall financial pressure of the accrued outstanding amount. During the year ended 31 December 2022, a solar power plant of the Group located in Inner Mongolia was alleged for certain non-compliance issues and the local authorities demanded for return of subsidy of approximately RMB216 million. Despite the Management considered that the allegation is invalid and without reasonable grounds, the Management agreed to return the required subsidy in order to maintain the Group's operation in Inner Mongolia. Therefore, a provision of the return of subsidy of approximately RMB181 million (2022: approximately RMB35 million) and a write-off of tariff adjustment receivable of approximately RMB110 million (2022: approximately RMB25 million) have been provided during the Year. During the year, there is no significant update on the national self-examination of the renewable energy projects.

During the Year, the Group received tariff adjustment subsidies of approximately RMB1,352 million (2022: approximately RMB1,771 million). The Group expected that new development on the national policy on the outstanding amount of the renewable energy subsidies will be announced, and this development is expected to improve the outstanding situation of subsidies to be received by the Group.

The ageing analysis of trade and tariff adjustment receivables by invoice date was as follows:

	2023	2022
	<i>RMB'million</i>	<i>RMB'million</i>
Unbilled (<i>Note</i>)	8,160	8,192
1 – 30 days	21	70
31 – 60 days	10	5
61 – 90 days	1	4
91 – 180 days	2	12
181 – 365 days	15	1
Over 365 days	8	10
	8,217	8,294

Note: The amount represents unbilled trade and tariff adjustment receivables. The aged analysis of the unbilled trade and tariff receivables, which is based on revenue recognition date, are as follows:

	2023	2022
	<i>RMB'million</i>	<i>RMB'million</i>
1 – 30 days	497	383
31 – 60 days	236	253
61 – 90 days	236	229
91 – 180 days	876	723
181 – 365 days	1,501	1,377
Over 365 days	4,814	5,227
	8,160	8,192

11 SHARE CAPITAL

	Number of shares (million)		Share capital	
	2023	2022	2023	2022
			<i>RMB'million</i>	<i>RMB'million</i>
Ordinary shares of HK\$0.1 each				
Authorised				
At 1 January and 31 December	<u>30,000</u>	<u>30,000</u>	<u>2,525</u>	<u>2,525</u>
Issued and fully paid				
At 1 January	22,428	22,428	1,924	1,924
Cancellation of repurchased shares	<u>(28)</u>	<u>–</u>	<u>(3)</u>	<u>–</u>
At 31 December	<u>22,400</u>	<u>22,428</u>	<u>1,921</u>	<u>1,924</u>

During the years ended 31 December 2022 and 2023, no share of the Company was issued.

During the Year, the Company repurchased its own ordinary shares for a total of approximately 66 million (2022: approximately 28 million) ordinary shares on the Stock Exchange with a total consideration of approximately HK\$14.8 million (equivalent to approximately RMB13.6 million) (2022: approximately HK\$6.2 million (equivalent to approximately RMB6 million)). All the shares repurchased during the Year were subsequently cancelled by the Company in March 2024 (2022: January 2023).

12 PERPETUAL MEDIUM-TERM NOTES

	2023	2022
	<i>RMB'million</i>	<i>RMB'million</i>
At 1 January	–	–
Issues of perpetual medium-term notes	3,500	–
Transaction costs for issue of perpetual medium-term notes	<u>(6)</u>	<u>–</u>
At 31 December	<u>3,494</u>	<u>–</u>

The Company issued 3 tranches of perpetual medium-term notes with principal amounts in total of RMB3,500 million during the Year (2022: Nil). The total net proceeds after deducting the issue expenses amounted to approximately RMB6 million (2022: Nil). The distribution rates for the perpetual medium-term notes are 3.68% per annum, 3.77% per annum and 3.65% per annum, respectively in the first 2 years from the dates of issue, and subsequently will be reset in every 2 or 3 calendar years. The perpetual medium-term notes have no maturity dates and the instruments can only be redeemed at the option of the Company.

13 CONVERTIBLE BONDS

On 29 June 2021, the Company issued three-year convertible bonds to independent third parties as follows:

Date of issue	Principal amount <i>US\$'million</i>	Interest rate	On inception	Financial
			Net proceeds (equivalent to approximately) <i>RMB'million</i>	liabilities at FVTPL <i>RMB'million</i>
29 June 2021	<u>50</u>	<u>3.8%p.a.</u>	<u>316</u>	<u>316</u>

The bondholders are entitled to convert the bonds into shares credited as fully paid at any time during the conversion period:

- (a) at any time on and after the day falling 41 days after the date of issue to the close of business on the date falling 10 days prior to the maturity date (both days inclusive); or
- (b) if the bonds have been called for redemption before the maturity date, then up to and including the close of business on date no later than 10 days prior to the date fixed for redemption.

The movements of convertible bonds during the years ended 31 December 2023 and 2022 are as follows:

	2023 <i>RMB'million</i>	2022 <i>RMB'million</i>
At 1 January	355	346
Interest payments	(13)	(13)
Subsequent re-measurement fair value losses	<u>1</u>	<u>22</u>
At 31 December	<u>343</u>	<u>355</u>

14 BANK AND OTHER BORROWINGS

	2023			2022		
	Current portion <i>RMB'million</i>	Non- current Portion <i>RMB'million</i>	Total <i>RMB'million</i>	Current portion <i>RMB'million</i>	Non- current portion <i>RMB'million</i>	Total <i>RMB'million</i>
Bank borrowings	17,578	32,503	50,081	11,647	20,666	32,313
Loans from financial institutions	2,159	9,426	11,585	2,516	8,956	11,472
Other loans	1,022	85	1,107	70	100	170
	<u>20,759</u>	<u>42,014</u>	<u>62,773</u>	<u>14,233</u>	<u>29,722</u>	<u>43,955</u>
Unamortised loan facilities fees	(14)	(53)	(67)	(28)	(137)	(165)
	<u>20,745</u>	<u>41,961</u>	<u>62,706</u>	<u>14,205</u>	<u>29,585</u>	<u>43,790</u>

15 ACQUISITIONS OF SUBSIDIARIES

It is the Group's strategy to identify suitable investment opportunity to acquire renewable energy projects with good prospects and potential for stable returns.

(a) Business Combinations

During the Year, the Company completed the acquisitions of 31 (2022: 7) power plants in the PRC from independent third parties through its wholly-owned and non wholly-owned subsidiaries with total consideration of RMB1,281 million. The acquisitions have immediately enabled to supplement the Group's existing renewable power plant portfolio and further expand its scale of business in the renewable energy sector in order to enhance return to the shareholders of the Company.

(b) Acquisitions of Assets

During the Year, the Company acquired the equity interests of certain companies in the PRC and in Australia from independent third parties through its indirect wholly-owned subsidiaries with total consideration of RMB997 million. These acquisitions are considered as acquisitions of assets as the fair values of the gross assets acquired are concentrated in a group of similar identifiable assets. All these companies have also been consolidated into the consolidated financial statements of the Group.

16 EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

Save as disclosed elsewhere in the consolidated financial statements, the followings are other events after the date of statement of financial position.

On 14 December 2023, a group of indirect wholly-owned subsidiaries of the Company incorporated in Australia with limited liability (the “**Buyers**”) and the Company (as the buyer guarantor) entered into the share sale and purchase agreement with Lightsource Asset Holdings (Australia) Limited, West Wyalong HoldCo 1 Limited, Woolooga HoldCo 1 Limited and Lightsource Australia FinCo Holdings Limited (collectively, the “**Sellers**”) and Lightsource Holdings 1 Limited (as the seller guarantor), pursuant to which the Sellers conditionally agreed to sell and the Buyers conditionally agreed to purchase the entire issued share capital in each of the project holding companies for a total consideration of no more than AUD813 million (equivalent to approximately RMB3,942 million) (the “**Acquisition**”). This Acquisition constitutes a very substantial acquisition of the Company and is therefore subject to the shareholders’ approval in a special general meeting scheduled on 19 April 2024 under Chapter 14 of the Listing Rules.

17 COMPARATIVE FIGURES

Certain comparative figures have been represented to conform to current year’s presentation.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, the Company repurchased a total of 65,906,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$14,746,896. All the repurchased shares were cancelled on 18 March 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to protect the interests of the Company and the shareholders of the Company as a whole. The Company believes that rigorous standards of corporate governance enhance the sustainability of the Company. To this end, the Company has established and maintained a framework of corporate governance policies and practices to apply the principles of good corporate governance in daily operation. This framework is built upon principles of accountability and integrity.

The Company has applied the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance. During the Year, the Company has complied with all applicable code provisions under the CG Code.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) currently consists of three members, including two independent non-executive Directors, namely Ms. Li Hongwei and Mr. Zhu Jianbiao, and one non-executive Director, namely Mr. Liu Guoxi. The Audit Committee is chaired by Ms. Li Hongwei who possesses relevant professional qualification and expertise in financial reporting matters. The Audit Committee acts as an important link between the Board and the Company's auditors. It is responsible for making recommendations to the Board on the appointment and reappointment of the external auditors, and to approve the remuneration and terms of engagement of the external auditors. It is empowered to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. It reviews, makes recommendations and reports to the Board on findings relating to the financial statements, reports and accounts, financial reporting system, internal control procedures and compliance issues. The Audit Committee has reviewed with Management the accounting policies and practices adopted by the Group and discussed internal control, risk management and financial reporting matters including the review of the annual report and audited annual results for the Year before the annual results were submitted to the Board for approval. The audited annual results as set out in this announcement have been reviewed and agreed by the Board (including the independent non-executive Directors) and the Audit Committee.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Grant Thornton Hong Kong Limited on this announcement.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK1.00 cent (equivalent to approximately RMB0.91 cent) per ordinary share for the Year (2022: HK1.00 cent (equivalent to approximately RMB0.90 cent)). The proposed final dividend is expected to be paid on Friday, 12 July 2024 to shareholders whose names appear on the register of members of the Company on Wednesday, 26 June 2024, subject to approval by the shareholders at the forthcoming annual general meeting to be held on Tuesday, 18 June 2024 (the "2024 AGM").

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement for attending and voting at the 2024 AGM, the register of members of the Company will be closed from Thursday, 13 June 2024 to Tuesday, 18 June 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to be qualified for attending and voting at the 2024 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 12 June 2024.

For the purpose of determining the entitlement for the final dividend, the register of members of the Company will be closed from Monday, 24 June 2024 to Wednesday, 26 June 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to be qualified for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 21 June 2024.

PUBLICATION OF RESULTS ANNOUNCEMENT, ANNUAL REPORT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This announcement is published on the website of the HKEXnews at <http://www.hkexnews.com> and on the website of the Company at <http://www.bjei.com>. The annual report containing all the information required under Appendix D2 to the Listing Rules and the Group's environmental, social and governance report will be published on the websites of the HKEXnews and the Company in due course.

APPRECIATION

The Board would like to take this opportunity to thank every stakeholder of the Group for their contributions to the Group during the Year.

For and on behalf of
Beijing Energy International Holding Co., Ltd.
Zhang Ping
Chairman of the Board

Hong Kong, 28 March 2024

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Ping (Chairman) and Mr. Lu Zhenwei; the non-executive directors of the Company are Mr. Liu Guoxi, Mr. Su Yongjian, Mr. Li Hao and Mr. Lu Xiaoyu; and the independent non-executive directors of the Company are Ms. Jin Xinbin, Ms. Li Hongwei and Mr. Zhu Jianbiao.

* *For identification purpose only*