Concord New Energy Group Limited
協合新能源集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 182)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board of directors (the "Board") of Concord New Energy Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022. The consolidated results have been reviewed by the Company's audit committee.

**for identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in RMB)

	Note	2023 *RMB'000*	2022 *RMB'000* (Restated)#
Continuing operations			
Revenue	*3,4*	**2,588,646**	2,400,276
Cost of sales and services rendered		**(1,183,020)**	(940,583)
Gross profit		**1,405,626**	1,459,693
Other income		**104,887**	58,609
Other gains and losses, net	*5*	**404,149**	319,545
Impairment losses under expected credit loss model, net of reversal	*6*	**(1,130)**	1,181
Distribution and selling expenses		**(6,141)**	(5,096)
Administrative expenses		**(404,458)**	(342,273)
Finance costs	*7*	**(644,165)**	(544,950)
Share of profit of joint ventures, net		**172,836**	151,115
Share of profit of associates, net		**17,029**	20,004
Profit before income tax		**1,048,633**	1,117,828
Income tax expense	*8*	**(153,825)**	(222,445)
Profit for the year from continuing operations		**894,808**	895,383
Discontinued operation			
Profit for the year from discontinued operation, net of tax	*2*	**93,942**	30,386
Profit for the year		**988,750**	925,769
Attributable to equity shareholders of the Company :			
From continuing operations		**877,502**	852,639
From discontinued operation		**86,272**	19,178
		963,774	871,817
Attributable to non-controlling interests of the Company :			
From continuing operations		**17,306**	42,744
From discontinued operation		**7,670**	11,208
		24,976	53,952
Profit for the year		**988,750**	925,769
Earnings per share			
Basic earnings per share *(RMB cents)*	*9(a)*	**11.42**	9.90
Diluted earnings per share *(RMB cents)*	*9(b)*	**11.39**	9.86
Earnings per share - continuing operations			
Basic earnings per share *(RMB cents)*	*9(a)*	**10.39**	9.68
Diluted earnings per share *(RMB cents)*	*9(b)*	**10.37**	9.64

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023
(Expressed in RMB)

	2023	2022
	RMB'000	*RMB'000*
		(Restated) #
Profit for the year	**988,750**	925,769
Other comprehensive income :		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**(3,529)**	(16,227)
Other comprehensive income for the year, net of tax	**(3,529)**	(16,227)
Total comprehensive income for the year	**985,221**	909,542
Attributable to equity shareholders of the Company :		
From continuing operations	**874,428**	838,898
From discontinued operation	**86,272**	19,178
	960,700	858,076
Attributable to non-controlling interests of the Company :		
From continuing operations	**16,851**	40,258
From discontinued operation	**7,670**	11,208
	24,521	51,466
Total comprehensive income for the year	**985,221**	909,542

#Comparative information has been re-presented due to a discontinued operation (see Note 2 for details).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(Expressed in RMB)

	Note	2023 RMB'000	2022 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**17,759,434**	14,876,597
Right-of-use assets		**949,945**	559,208
Intangible assets		**716,034**	788,224
Interests in associates		**758,251**	776,034
Interests in joint ventures		**2,082,481**	1,578,123
Financial assets at fair value through profit or loss		**14,746**	13,716
Prepayments, deposits and other receivables		**1,621,121**	1,666,400
Finance lease receivables		**269,816**	164,993
Loan receivables		**30,833**	45,240
Deferred tax assets		**47,268**	39,486
		24,249,929	20,508,021
Current assets			
Inventories		**46,295**	59,196
Contract assets	*11*	**116,175**	206,728
Trade and bills receivable	*12*	**1,415,900**	1,369,622
Prepayments, deposits and other receivables		**926,884**	615,485
Finance lease receivables		**50,293**	32,599
Loan receivables		**17,797**	16,347
Amounts due from associates		**50,771**	85,835
Amounts due from joint ventures		**304,949**	90,563
Financial assets at fair value through profit or loss		**154,451**	138,841
Cash and cash equivalents		**2,445,465**	3,471,039
Restricted deposits		**1,457,459**	578,240
		6,986,439	6,664,495
Total assets		**31,236,368**	27,172,516
LIABILITIES			
Non-current liabilities			
Bank borrowings		**2,809,059**	1,285,516
Other borrowings		**11,856,855**	10,321,434
Lease liabilities		**135,486**	98,748
Deferred tax liabilities		**57,722**	93,522
Deferred government grants		**4,516**	4,865
Payables for construction in progress, other payables and accruals		**1,050,671**	745,976
Financial guarantee contract liabilities		**8,060**	10,602
		15,922,369	12,560,663

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*
AS AT 31 DECEMBER 2023
(Expressed in RMB)

	Note	**2023** **RMB'000**	2022 *RMB'000*
Current liabilities			
Trade and bills payable	*13*	**1,672,288**	1,262,570
Payables for construction in progress, other payables and accruals		**3,084,416**	2,736,516
Contract liabilities		**52,496**	59,325
Amounts due to associates		**70**	2,540
Amounts due to joint ventures		**35,574**	156
Bank borrowings		**973,253**	979,411
Other borrowings		**895,844**	734,782
Senior notes		**-**	618,905
Lease liabilities		**21,821**	13,502
Financial guarantee contract liabilities		**4,823**	7,535
Current income tax liabilities		**138,000**	101,719
		6,878,585	6,516,961
Total liabilities		**22,800,954**	19,077,624
Net current assets		**107,854**	147,534
Total assets less current liabilities		**24,357,783**	20,655,555
Net assets		**8,435,414**	8,094,892
EQUITY			
Share capital	*14*	**72,598**	77,443
Reserves		**8,210,438**	7,754,304
Total equity attributable to equity shareholders of the Company		**8,283,036**	7,831,747
Non-controlling interests		**152,378**	263,145
Total equity		**8,435,414**	8,094,892

NOTES

1 Basis of preparation and presentation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

HKFRS 17	*Insurance contracts*
Amendments to HKAS 8	*Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Presentation of financial statements ,Making materiality judgements: Disclosure of accounting policies*
Amendments to HKAS 12	*Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
Amendments to HKAS 12	*Income taxes: International tax reform — Pillar Two model rules*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

HKFRS 17, *Insurance contracts*

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on the consolidated financial statements as the Group does not have contracts within the scope of HKFRS 17.

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on the consolidated financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2*, Making materiality judgements: Disclosure of accounting policies*

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD") (income tax arising from such tax laws is hereafter referred to as "Pillar Two income taxes"), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes. The amendments are immediately effective upon issuance and require retrospective application. However, because no new legislation to implement the Pillar Two income tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

Except for the above, none of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

2 Discontinued operation

In November 2023, the Group disposed part of interest in Intelligent operation and maintenance business with cash consideration amounted RMB 126,090,000 and ceased to consolidate Intelligent operation and maintenance business in the consolidated financial statements and accounted for the rest 33.25% interests as joint venture. Management made such strategic decision to place greater focus on the Group's key competencies-i.e. operation of wind and solar power plants.

The Intelligent operation and maintenance segment was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

Subsequent to the disposal, the Group has continued to purchase power plants operation and maintenance services from the discontinued operation. Although intra-group transactions have been fully eliminated in the consolidated financial results, management has elected to attribute the elimination of transactions between the continuing operations and the discontinued operation before the disposal in a way that reflects the continuance of these transactions subsequent to the disposal, because management believes this is useful to the users of the financial statements.

To achieve this presentation, management has eliminated from the results of the discontinued operation the inter-segment sales (and costs thereof, less unrealised profits) made before its disposal. Because purchases from the discontinued operation will continue after the disposal, inter-segment purchases made by the continuing operations before the disposal are retained in continuing operations.

Results of discontinued operation

	For the period from 1 January 2023 to 30 November 2023 *RMB'000*	2022 *RMB'000*
Revenue	**590,581**	392,548
Elimination of inter-segment revenue	**(191,459)**	(113,456)
External revenue	**399,122**	279,092
Cost of sales and services rendered	**(417,724)**	(257,268)
Elimination of cost related to inter-segment sales	**191,459**	113,456
External cost of sales and services rendered	**(226,265)**	(143,812)
Gross profit	**172,857**	135,280
Other income	**2,630**	1,524
Other gains and losses, net	**(5,700)**	(1,735)
Impairment losses under expected credit loss model, net of reversal	**(698)**	-
Distribution and selling expenses	**(23,627)**	(13,718)
Administrative expenses	**(111,567)**	(84,204)
Finance costs	**(6,656)**	(1,366)
Share of profit of associates, net	**(390)**	-
Results from operating activities	**26,849**	35,781
Income tax expense	**(4,945)**	(5,395)
Results from operating activities, net of tax	**21,904**	30,386
Gain on sale of discontinued operation	**82,267**	-
Income tax on gain on sale of discontinued operation	**(10,229)**	-
Profit from discontinued operation, net of tax	**93,942**	30,386
Profit for the period year from discontinued operation attributable to :		
Equity shareholders of the Company	**86,272**	19,178
Non-controlling interests	**7,670**	11,208
Profit for the period year from discontinued operation	**93,942**	30,386
Earnings per share		
Basic earnings per share *(RMB cents)*	**1.03**	0.22
Diluted earnings per share *(RMB cents)*	**1.02**	0.22

3 Segment information

(a) Business segments

The management has determined the operating segments based on the internal reports reviewed and used by executive directors of the Company, who are the chief operating decision makers ("CODM"), for strategic decision making.

The CODM consider the business from a product and service perspective. The Group is organised into certain business units according to the nature of the products sold or services provided.

The CODM review operating results and financial information of each business unit separately. Accordingly, each business unit (including joint ventures and associates) is identified as an operating segment. These operating segments with similar economic characteristics and similar nature of products sold or services provided have been aggregated into the following reporting segments:

- Power generation segment - operation of wind and solar power plants through subsidiaries, generating electric power for sale to external power grid companies, investing in power plants through joint ventures and associates;

- Intelligent operation and maintenance segment sold in November 2023 and presented as discontinued operation - provision of operation and maintenance, asset management, overhaul commissioning service for wind and solar power plants;

- “Others” segment - provision of design, technical and consultancy services, undertaking electrical engineering and construction of power plant projects (the "engineering, procurement and construction business"), provision of finance lease services and energy internet services.

The CODM assess the performance of the operating segments based on a measure of adjusted earnings before interest and income tax. This measurement basis excludes the effects of non-recurring income and expenditure from the operating segments.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' remuneration, certain other income, interest revenue and finance costs, after inter-segment elimination.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to operating segments other than assets and liabilities attributable to head office.

Segment revenues and results, and segment assets and liabilities

	Continuing operations		Discontinued operation		
	Power generation RMB'000	Others RMB'000	Intelligent operation and maintenance RMB'000	Elimination RMB'000	Total RMB'000
For the year ended 31 December 2023					
Segment revenue					
Sales to external customers*	2,259,413	329,233	399,122	-	2,987,768
Inter-segment revenues	-	892,155	191,459	(1,083,614)	-
	2,259,413	1,221,388	590,581	(1,083,614)	2,987,768
Segment results	1,262,398	(34,481)	38,189	-	1,266,106
Unallocated other gains and losses, net					478,888
Unallocated income					39,976
Unallocated expenses					(7,447)
Interest revenue					31,047
Finance costs					(650,821)
Profit before income tax					1,157,749
Income tax expense					(168,999)
Profit for the year					988,750
At 31 December 2023					
Segment assets	28,500,683	2,474,293	-	-	30,974,976
Unallocated assets					261,392
Total assets					31,236,368
Segment liabilities	(21,309,871)	(1,295,574)	-	-	(22,605,445)
Unallocated liabilities					(195,509)
Total liabilities					(22,800,954)

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,893,041,000 and RMB366,372,000, respectively.*

Segment revenues and results, and segment assets and liabilities (Restated)

	Continuing operations		Discontinued operation		
	Power generation *RMB'000*	**Others** *RMB'000*	**Intelligent operation and maintenance** *RMB'000*	**Elimination** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2022					
Segment revenue					
Sales to external customers*	2,114,106	286,170	279,092	-	2,679,368
Inter-segment revenues	-	481,844	113,456	(595,300)	-
	2,114,106	768,014	392,548	(595,300)	2,679,368
Segment results	1,287,115	12,512	37,359	-	1,336,986
Unallocated other gains and losses, net					318,991
Unallocated income					16,727
Unallocated expenses					(214)
Interest revenue					27,435
Finance costs					(546,316)
Profit before income tax					1,153,609
Income tax expense					(227,840)
Profit for the year					925,769
At 31 December 2022					
Segment assets	24,493,235	1,997,149	433,417	-	26,923,801
Unallocated assets					248,715
Total assets					27,172,516
Segment liabilities	(17,569,471)	(877,550)	(243,644)	-	(18,690,665)
Unallocated liabilities					(386,959)
Total liabilities					(19,077,624)

**Revenue from power generation comprised revenue generated from wind power plants and solar power plants of RMB1,769,309,000 and RMB344,797,000, respectively.*

For the year ended 31 December 2023
Other segment information

Reconciliation of reportable segment assets, profit or loss

	Continuing operations		Discontinued operation	
	Power generation	**Others**	**Intelligent operation and maintenance**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	**5,203,004**	**84,630**	**52,445**	**5,340,079**
Depreciation of property, plant and equipment	**657,989**	**7,757**	**8,479**	**674,225**
Amortization of other intangible assets and depreciation of right-of-use assets	**51,446**	**4,538**	**2,955**	**58,939**
Share-based compensation	**11,676**	**1,701**	**-**	**13,377**
Interests in joint ventures and associates	**2,378,405**	**462,327**	**-**	**2,840,732**
Share of profit or loss of joint ventures and associates, net	**190,887**	**(1,022)**	**(390)**	**189,475**
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:				
(Gain) /loss on disposal of property, plant and equipment	**(2,567)**	**31**	**(22)**	**(2,558)**
Recognition of impairment loss on trade and bills receivables	**-**	**1,130**	**698**	**1,828**
Interest revenue	**(9,339)**	**(21,628)**	**(80)**	**(31,047)**
Finance costs	**631,707**	**12,458**	**6,656**	**650,821**
Income tax expense	**145,028**	**8,797**	**15,174**	**168,999**

For the year ended 31 December 2022
Other segment information (Restated)

Reconciliation of reportable segment assets, profit or loss (Restated)

	Continuing operations		**Discontinued operation**	
	Power generation	**Others**	**Intelligent operation and maintenance**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (including property, plant and equipment and right-of-use assets)	4,940,066	76,232	59,016	5,075,314
Depreciation of property, plant and equipment	536,671	8,458	6,292	551,421
Amortization of other intangible assets and depreciation of right-of-use assets	36,322	4,380	-	40,702
Share-based compensation	26,880	2,168	471	29,519
Interests in joint ventures and associates	2,001,790	352,367	-	2,354,157
Share of profit of joint ventures and associates, net	170,119	1,000	-	171,119
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:				
Loss on disposal of property, plant and equipment	334	674	255	1,263
Reversal of impairment loss on amounts due from joint ventures	-	(2,181)	-	(2,181)
Recognition of impairment loss on other receivables	-	1,000	-	1,000
Interest revenue	(5,123)	(22,274)	(38)	(27,435)
Finance costs	537,132	7,818	1,366	546,316
Income tax expense	214,295	8,150	5,395	227,840

(b) Geographical segments

The Group's operations are mainly located in the PRC and the remaining operations are located in the United States of America, Singapore and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets (excluding deferred tax assets and financial assets) is presented based on the geographical location of the assets.

Revenue from external customers

	Continuing operations		**Discontinued operation**	
	Year ended 31 December 2023	Year ended 31 December 2022	**Year ended 31 December 2023**	Year ended 31 December 2022
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**2,561,091**	2,372,558	**399,122**	279,092
Others	**27,555**	27,718	**-**	-
	2,588,646	2,400,276	**399,122**	279,092

Specified from non-current assets

	Non-current assets	
	At 31 December 2023	At 31 December 2022
	RMB'000	*RMB'000*
The PRC	**23,290,717**	19,735,082
Others	**412,925**	229,980
	23,703,642	19,965,062

(c) Information about major customers

Two (2022: Three) external customers individually contribute more than 10% of the total revenue of the Group. The revenue of these customers is summarized below:

	2023	2022
	RMB'000	*RMB'000*
Customer A	**377,163**	325,512
Customer B	**359,505**	410,675
Customer C	*****	400,897

Revenue from customers above are attributable to power generation segment.

**The corresponding revenue did not contribute over 10% of the total revenue of the Group.*

4 Revenue

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Revenue from contracts with customers:		
Sales of electricity:		
Basic electricity price	**1,867,969**	1,687,148
Renewable energy subsidy	**341,581**	401,464
Green energy certificates	**45,458**	25,494
Engineering, procurement and construction services	**189,026**	231,316
Sales of energy storage system equipment	**67,016**	-
Provision of technical and consultancy services	**21,185**	11,204
Provision of design services	**18,621**	13,406
Provision of agency service on sale of equipment	**-**	2,466
Other revenue	**-**	1,036
	2,550,856	2,373,534
Finance lease income	**37,790**	26,742
Total revenue from continuing operations	**2,588,646**	2,400,276

5 Other gains and losses, net

An analysis of other gains and losses, net is as follows:

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Gain on disposal/liquidation of subsidiaries , net	**399,759**	255,589
Gain on disposal an associate, net	**62**	-
Changes in fair value of financial assets at fair value through profit or loss	**42**	82,726
Exchange gain, net	**6,346**	26,595
Impairment loss recognised for construction in progress	**-**	(39,139)
Gain /(loss) on disposal of property, plant and equipment	**2,536**	(1,012)
Donation	**(2,073)**	(2,024)
Others	**(2,523)**	(3,190)
	404,149	319,545

6 Impairment losses under expected credit loss model, net of reversal

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Impairment loss recognised/(reversed) in respect of:		
Trade and bills receivable	**1,130**	-
Prepayments, deposits and other receivables	-	1,000
Amounts due from joint ventures	-	(2,181)
	1,130	(1,181)

7 Finance costs

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Interest expenses on:		
— Bank borrowings	**114,810**	68,585
— Other borrowings	**561,791**	533,401
— Senior notes	**35,053**	66,454
— Lease liabilities	**11,066**	5,223
	722,720	673,663
Less: Interest capitalised	**(78,555)**	(128,713)
	644,165	544,950

8 Income tax expense

	2023	2022
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Current tax		
— PRC corporate income tax	**95,835**	74,529
— PRC withholding tax	**98,863**	95,720
Under-provision in prior years:		
— PRC corporate income tax	**2,709**	3,511
Deferred tax	**(43,582)**	48,685
	153,825	222,445

9 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

(i) Profit attributable to ordinary shareholders

	2023	2022
	RMB'000	*RMB'000*
Profit attributable to ordinary shareholders		
Continuing operations	**877,502**	852,639
Discontinued operation	**86,272**	19,178
	963,774	871,817

(ii) Weighted-average number of ordinary shares

	2023	2022
	000'shares	*000'shares*
Issued ordinary shares at 1 January	**8,975,469**	8,985,329
Effect of treasury shares	**(533,369)**	(180,215)
Weighted-average number of ordinary shares at 31 December	**8,442,100**	8,805,114

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares from the share award scheme.

(i) Profit attributable to ordinary shareholders (diluted)

	2023	2022
	RMB'000	*RMB'000*
Profit attributable to ordinary shareholders (diluted)		
Continuing operations	**877,502**	852,639
Discontinued operation	**86,272**	19,178
	963,774	871,817

(ii) Weighted-average number of ordinary shares (diluted)

	2023	2022
	000'shares	*000'shares*
Weighted-average number of ordinary shares	**8,442,100**	8,805,114
Effect of share award scheme	**21,432**	37,477
Weighted-average number of ordinary shares for the purpose of diluted earnings per share	**8,463,532**	8,842,591

10 Dividend

	2023	2022
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2022Final – HK$0.035 (2021: HK$0.03) per share	**278,487**	230,272

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2023 of HK$0.035 per ordinary share has been proposed by the directors of the Company and is subject to approval by the shareholders at the forthcoming general meeting (2022: final dividend in respect of the year ended 31 December 2022 of HK$0.035 per ordinary share has been proposed by the directors of the Company and approved by the shareholders at the general meeting held on 16 June 2023).

11 Contract assets

	2023	2022
	RMB'000	*RMB'000*
Retention receivables	**77,009**	186,939
Contract assets arising from performance under construction contracts	**39,166**	19,789
	116,175	206,728
Analysed for reporting purposes as:		
Current assets	**116,175**	206,728
	116,175	206,728

12 Trade and bills receivable

	2023	2022
	RMB'000	*RMB'000*
Trade receivables, at amortised cost	**419,792**	552,868
Tariff adjustment receivables, at amortised cost	**991,170**	811,282
Bills receivable, at fair value through profit or loss	**9,000**	8,564
	1,419,962	1,372,714
Impairment loss on trade receivables	**(4,062)**	(3,092)
	1,415,900	1,369,622

The Group's credit terms granted to customers ranging from 30 to 180 days. For certain construction projects, the Group generally grants project final acceptance period and retention period to its customers ranging from 1 to 2 years from the date of acceptance according to the contracts signed between the Group and its customers.

As at 31 December 2023, the ageing analysis of the trade receivables, net of allowance for credit losses, presented based on invoice date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**309,013**	342,775
3 to 6 months	**14,975**	49,612
6 to 12 months	**78,845**	54,356
1 to 2 years	**10,850**	86,759
Over 2 years	**2,047**	16,274
	415,730	549,776

An ageing analysis of the tariff adjustment receivables, based on the revenue recognition date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**94,055**	106,622
3 to 6 months	**85,296**	82,315
6 to 12 months	**206,635**	196,455
Over 1 year	**605,184**	425,890
	991,170	811,282

13 Trade and bills payable

	2023	2022
	RMB'000	*RMB'000*
Trade payable	**389,768**	500,932
Bills payable	**1,282,520**	761,638
	1,672,288	1,262,570

An ageing analysis of the trade payable, based on invoice date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 3 months	**63,919**	94,006
3 to 6 months	**16,794**	60,287
6 to 12 months	**39,047**	7,041
1 to 2 years	**142,370**	33,755
Over 2 years	**127,638**	305,843
	389,768	500,932

14 Share capital

Ordinary shares issued of HK$0.01 each:

	No. of shares	Nominal value
	000'shares	*RMB'000*
As at 1 January 2022	8,985,329	77,499
Cancellation of ordinary shares *(Note)*	(67,460)	(549)
Issue of ordinary shares	57,600	493
As at 31 December 2022	8,975,469	77,443
Cancellation of ordinary shares *(Note)*	**(530,750)**	**(4,845)**
As at 31 December 2023	**8,444,719**	**72,598**

Note:

During the year ended 31 December 2023, the Group repurchased a total of 509,560,000 ordinary shares of the Company from the market for a total consideration of RMB301,001,000. 530,750,000 ordinary shares of the Company with total par value of RMB4,845,000 were cancelled, the related costs of repurchase were RMB314,731,000 and the exceed of costs of repurchase over the par value of the shares of RMB309,886,000 was charged to share premium.

During the year ended 31 December 2022, the Group repurchased a total of 405,880,000 ordinary shares of the Company from the market for a total consideration of RMB239,451,000. 67,460,000 ordinary shares of the Company with total par value of RMB549,000 were cancelled, the related costs of repurchase were RMB39,510,000 and the exceed of costs of repurchase over the par value of the shares of RMB38,961,000 was charged to share premium.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS ENVIRONMENT

In 2023, global economic growth was subdued, with geopolitical tensions among the contributing factors. The IMF estimated a 3% increase in global GDP, down from 3.5% the previous year. As the focus shifted to renewable energy for better energy security, investments in solar and wind energy saw a marked rise. The IEA's report "Renewables 2023" highlighted a 50% jump in global renewable capacity additions from the previous year, totaling around 510GW—the fastest growth in nearly 20 years.

At the 28th United Nations Climate Change Conference (COP28), national delegates committed to doubling renewable energy capacity by 2030. COP28 marked a new chapter in global climate efforts, reinforcing the trend towards a green and low-carbon transition.

In 2023, China achieved installed capacity additions of 75.9GW in wind and 216.9GW in solar PV. The cumulative installed capacity of renewable energy (including conventional sources such as hydro power) exceeded 1,400GW, historically surpassing thermal power installed capacity, marking a significant milestone.

In 2023, China's renewable energy generation exceeded 3 trillion kWh, accounting for approximately one-third of the country's total electricity consumption. Wind and solar PV reinforced their leading roles in newly added capacity, with their combined generation exceeding the electricity consumed by all urban and rural households during the same period. Their contribution to the total national electricity consumption exceeded 15%, establishing a new historical record.

(1) Wind Turbines Continued the Upsizing Trend, N-Type Solar Panel Gained Market Share

The trend of upsizing wind turbine continues, driven by the development of technologies for higher power, taller towers, and longer blades. In China, the capacity of the most commonly used onshore wind turbines has reached the 6MW to 7MW class, with the emerging application of 10MW turbines in some projects. The comprehensive performance of wind turbines, especially in terms of high reliability and intelligence, is gaining more attention. Influenced by technological advances and intensified market competition, the price of wind turbines in China's market has shown a fluctuating downward trend throughout the year.

N-type solar modules, which outperform P-type in rated power, efficiency, and degradation, are gradually gaining market share. TOPCon's production capacity significantly surpasses that of HJT and BC cells. Perovskite solar cells are also accelerating in R&D and scaling up production. In 2023, as production capacity was released, solar module prices plummeted significantly, benefiting solar power plant investors by reducing capex and increasing profitability, thereby achieving larger deployment goals.

(2) Novel Energy Storage Deployment Scaled Up, Technology Paths Diversified

Driven by policy support, expanding application scenarios, and rapidly decreasing costs, the deployment of novel energy storage systems, particularly battery energy storage, has seen a rapid increase. According to data from the China National Energy Administration, China added 48.7GWh of novel energy storage capacity in 2023. A third-party intelligence forecasted that the USA could see an addition of 24.7GWh in energy storage capacity in 2023. Beyond electrochemical energy storage, a variety of technologies, including compressed air energy storage, have seen the emergence of demonstration projects, showcasing a diverse development landscape.

(3) Hydrogen Gained More Focus as R&D Innovations Thrived in its Industry Chain

Hydrogen is gaining widespread attention. In 2023, China released the 'Medium and Long-Term Development Plan for the Hydrogen Energy Industry,' vigorously promoting standardized development across the entire hydrogen industry chain. The United States initiated the construction of seven regional clean hydrogen hubs, aiming to advance the large-scale commercialization of clean hydrogen production and utilization. Meanwhile, the European Union has incorporated the green hydrogen into its REPowerEU and other plans, and it has launched the European Hydrogen Bank.

The global hydrogen sector is experiencing vibrant R&D innovation, with numerous pilot projects exploring new materials, new equipment, new processes, and new business models across hydrogen production, storage, transportation, and usage.

(4) China's Power Reform Deepened, Green Consumption System Enhanced

In 2023, the Chinese government issued the 'Basic Rules for the Electricity Spot Market,' which accelerated the development of the electricity spot market and improved the market-based electricity pricing mechanism. It introduced a coal-fired capacity price mechanism and launched official operations of the electricity spot markets in Shanxi and Guangdong provinces, with ongoing deepening reforms in the electricity markets of various provinces and cities.

The Chinese government has advocated for comprehensive issuance of renewable energy green power certificates (green certificates), clarifying that green certificates are the sole verification for acknowledging renewable energy production and consumption. The government promotes participation in green power trading, resulting in an annual trading volume of 61.1 billion kWh in 2023, which is 10.5 times the volume of the previous year.

In 2023, China's Ministry of Ecology and Environment released policy documents including the management methods for the trading of China Certified Emission Reduction (CCER). In January 2024, it officially relaunched the CCER trading market.

(5) Steady Decline in Financing Costs in China for Renewable Power Plants

In 2023, the financing environment in China remained loose, with two cuts in the Loan Prime Rate (LPR) and two reductions in the reserve requirement ratio for financial institutions. Commercial banks and other financial entities actively engaged in green financing, offering ample and competitive financing for investments in renewable power plants. Financing costs for renewable projects both in operation and to be built have seen significant reductions. The launch of the first batch of publicly traded REITs (Real Estate Investment Trusts) for renewable energy infrastructure provided with new avenues for revitalizing existing assets and expanding reinvestment.

II. BUSINESS REVIEW

In 2023, guided by the new development strategy, the Group achieved new milestones across its business segments, setting new records in the Group's attributable installed capacity, attributable power generation, net profit, earnings per share, net assets per share, return on equity, the capacity of newly obtained investment projects within China, and the total capacity of projects under construction.

In 2023, the Group achieved the continuing operations revenue of RMB2,588,646,000 (2022: RMB2,400,276,000 (restated)), representing a year-on-year increase of 7.8%. Profit attributable to equity holders of the Group amounted to RMB963,774,000 (2022: RMB871,817,000), representing a year-on-year increase of 10.6%. Basic earnings per share was RMB11.42 cents (2022: RMB9.90 cents), and diluted earnings per share was RMB11.39 cents (2022: RMB9.86 cents).

As of 31 December 2023, the Group had net assets of RMB8,435,414,000 (31 December 2022: RMB8,094,892,000) and net assets attributable to equity shareholders of the Group per share (excluding treasury shares held for the purpose of cancellation) was RMB1.02 (31 December 2022: RMB0.91)

(1) New Breakthroughs in Project Development, Steady Progress in Power Plant Construction

1. Newly Obtained Project Reaches a New High, Sufficient Project Pipeline for Growth

The Group diligently tracks global renewable energy trends, investigates new models, and crafts targeted strategies based on regional policies. By leveraging its expertise, The Group is dedicated to project development, consistently enriching its project pipeline.

In 2023, the Group obtained new investment projects (listed in provincial renewable project annual construction plans) of 2,099MW in China, including 1,713MW from wind power and 386MW from solar power. The Group also signed new agreements for 5,320MW of wind power resources and 2,600MW of solar resources. The abundant resource reserves ensure a sufficient project pipeline for the Group's sustainable growth.

In 2023, the Group advanced its international market layout in multiple countries, establishing representative offices in North America, Europe, and Asia. The international market's organizational framework has been initially established, with project development advancing progressively.

2. Actively Advancing Project Construction Commencement and Achieving Sustainable Growth in Installed Capacity

In 2023, the Group achieved a total construction capacity of 2,299MW(2022: 1,982MW), underpinning its sustained growth trajectory.

During the reporting period, the Group added attributable installed capacity of 512MW, all of which were the Group’s subsidiaries. Among these, the 380MW was wind power, and 132MW was solar power. Additionally, the capacity of newly added standalone energy storage stations was 340MW/600MWh.

As of 31 December 2023, the Group invested in grid-connected wind power and solar power plants with an attributable installed capacity of 4,050MW. Among them, the attributable installed capacity is 3,467MW (85.6%) of wind farms and 583MW (14.4%) of solar PV power plants. As of the end of the reporting period, the attributable installed capacity of the Group’s owned subsidy-free wind and solar power plants has reached 2,624MW, accounting for 64.8% of the Group’s total attributable installed capacity

Attributable Installed Capacity of Wind and Solar PV (MW)

Business Segments	2023	2022	Change Rate
Wind	3,467	3,137	+10.5%
Solar PV	583	451	+29.2%
Total	4,050	3,588	+12.9%

(2) Safe and Efficient Production and Operations, Steady Revenue Increase from Power Plant

1. Rapid Growth in Attributable Power Generation, Safe and Smart Production of Power Plant

The Group consistently prioritized risk management, continuously improving the safety management system and reinforcing the safety responsibility system. In 2023, through rigorous Spring and Autumn safety inspections, The Group's power plants maintained safe and stable operations with no accidents of serious personal injury or above, and no major equipment accidents or above.

In 2023, The Group's attributable power generation achieved rapid growth, recording an increase of 17.2% over the previous year. Wind power generation was up by 18.6%, and solar PV increased by 7.3% year-on-year.

Attributable Power Generation (GWh)

Business Segments	2023	2022	Change Rate
Wind	6,988	5,894	+18.6%
Solar PV	836	779	+7.3%
Total	7,824	6,673	+17.2%

In 2023, the operational quality of the Group's power plants improved steadily, with availability rates increasing. The wind farms achieved an availability rate of 98.77%, and the solar PV plants reached 99.92%.

Availability of Power Plants (%)

	Power Plants invested by the Group		
Business Segments	**2023**	**2022**	**Change**
Wind	98.77%	98.50%	+0.27%
Solar PV	99.92%	99.90%	+0.02%

The weighted average utilization hours of wind farms in China invested by the Group were 2,449 hours. This was 224 hours higher than the China's average, but 94 hours lower compared to last year, due to unfavorable wind resources and higher wind curtailment rates. The weighted average utilization hour of solar PV power plants held by the Group was 1,455 hours. This was 169 hours higher than the China's average, but 92 hours lower compared to last year, due to higher solar curtailment rates.

Weighted Average Utilization Hours (Hour)

Business Segments	**2023**	**2022**	**Change Rate**	**China's average in 2023**	**Greater than China's average in 2023**
Wind	2,449	2,543	-3.7%	2,225	+10.1%
Solar PV	1,455	1,547	-5.9%	1,286	+13.1%

In 2023, the average wind curtailment rate of the wind farms invested by the Group was 3.7%, and the average solar curtailment rate of the solar power plants invested by the Group was 5.9%, both showing an increase from last year.

Curtailment Rate (%)

Business Segments	**2023**	**2022**	**Change**
Wind	3.7%	2.6%	+1.1%
Solar PV	5.9%	3.8%	+2.1%

2. Continuous Growth from Power Generation, Significant Increase in Green Electricity and Green Certificates Income

In 2023, the Group's subsidiary-owned power plants achieved a revenue of RMB 2,259,413,000, an increase of 6.9% over last year. It accounted for 87.3% of the Group's continuing operations revenue. In 2023, the Group completed green electricity transactions totaling 639 million kWh (2022: 295 million kWh), generating additional revenue of RMB 30,752,000(2022: RMB 13,053,000) through green electricity transactions, and achieved green certificate sales revenue of RMB 45,458,000 (2022: RMB 25,494,000), ranking among the top in the industry.

In 2023, the Group's subsidiary-owned power plants achieved a total net profit of RMB762,048,000 from power generation, representing a decline of 6.8% over last year. The Group's shared net profits from power generation business of its associates and joint ventures was RMB190,887,000. The decline in net profit of the Group's subsidiary-owned power plants was mainly due to the decrease in the comprehensive electricity price, the increase in the curtailment rate, and the decline in wind resources in certain regions this year.

Revenue and Net Profit from Power Plants (RMB'000)

	2023	2022	Change Rate
Revenue from Subsidiary-owned Power Plants	2,259,413	2,114,106	+6.9%
Including: Wind	1,893,041	1,769,309	+7.0%
Solar PV	366,372	344,797	+6.3%
Net Profit from Subsidiary-owned Power Plants	762,048	817,876	-6.8%
Including: Wind	664,885	702,675	-5.4%
Solar PV	97,163	115,201	-15.7%
Net Profit from Jointly-owned Power Plants	190,887	170,119	+12.2%
Including: Wind	186,373	165,532	+12.6%
Solar PV	4,514	4,587	-1.6%

The average comprehensive sale price of the electricity generated by the power plants invested by the Group in China has decreased compared to last year. This is mainly due to an increased proportion of parity projects, more electricity trading, and higher cost allocations for ancillary services. The Group actively engages in green electricity transactions and green certificate sales to effectively offset the decline in sale prices of electricity. Data from the past three years indicates the decline in the Group's average comprehensive electricity price is gradually narrowing. With the continuous increase in attributable installed capacity, the Group's power generation revenue is poised for sustained growth.

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

Business Segments	2023	2022	2021	Change 2023/2022
Wind	0.4042	0.4417	0.5061	-0.0375
Solar PV	0.5196	0.5252	0.8697	-0.0056

(3) Further Cost Reduction in Financing

The Group continuously enhances its credit advantage in the financial market. Based on the specific characteristics of projects and their financing needs, the Group customizes financing solutions for new projects. Through refinancing replacement, the Group constantly optimizes the leverage ratio and financing costs of projects in operation, effectively improving asset efficiency. During the reporting period, the financing costs for the newly added power station projects of the Group were at a historically low level.

Comprehensive Financing Rate

	2023	**2022**	**2021**	**Change 2023/2022**
Comprehensive Financing Rate	4.60%	5.48%	5.89%	-88bps

The Group maintains keen awareness of operational excellence, closely monitors financial market trends. In 2023, the Group redeemed all the outstanding senior notes with an aggregate principal amount of US $90 million ahead of maturity, effectively reducing financial costs, decreasing interest expenses, and avoiding exchange rate losses.

(4) Continuous Optimization of the Group Assets

In 2023, the Group continuously optimized its power plant assets by selling 102MW power plant attributable installed capacity, thus refining its asset structure.

In 2023, based on the O&M company's characteristics as a professional service enterprise, and in order to grant the management team greater enthusiasm and passion, the Group adjusted the equity structure of the O&M company. The O&M company was transformed from a holding subsidiary to a joint venture, in order to further promote the development of its operation and maintenance business.

(5) Steady Development in Service and Energy Storage Business

In 2023, the design sector of the Group obtained Grade B qualifications in geotechnical engineering (survey) and engineering surveying. It was successfully listed in Beijing's "Specialized, Focused, Distinctive, and Innovative Enterprises" and "Science and Technology SMEs". Two of its designed projects were awarded Beijing's second and third prizes for excellent survey and design achievements respectively.

The leasing sector is grounded in financing leasing services for distributed solar and wind power plants, actively expanding into new business such as charging stations, continually enhancing its financing capabilities.

The energy storage sector has established a research and development (R&D) base, continuously strengthening its R&D and service capabilities. Additionally, the manufacturing base was put into operation and successfully delivered four standalone energy storage station systems in 2023.

III. ENVIRONMENTAL PROTECTION, COMPLIANCE AND SOCIAL RESPONSIBILITY

The Group engages in renewable energy businesses such as wind and solar power, actively implementing energy conservation and emission reduction policies over the long term, making positive contributions to improving the energy structure, reducing air pollution and greenhouse gas emissions, and diminishing smog. The Group always fulfills environmental responsibilities according to local environmental laws and industry standards, committed to investing in and managing environmental protection, soil and water conservation, and biodiversity protection, and earnestly fulfilling its social responsibilities and striving for sustainable development of both the environment and humanity. The Group also adheres to the concept of green office practices, reducing carbon emissions from its office operations and improving the efficiency of resource and energy use.

The Group strictly adheres to the environmental laws and policies of the investment countries, actively assumes the responsibility for energy saving and emission reduction, and has not violated any environmental laws, regulations, or policies of the investment countries this year. The Group actively fulfills its social responsibilities, concentrating on clean energy business development while also dedicating efforts to public welfare, giving back to society in various ways.

(1) Environmental Policies and Performances

During this reporting period, the Group continued to develop low-carbon businesses such as wind and solar power generation, reducing greenhouse gas emissions, air pollutants, saving standard coal consumption, and water resource usage for society. Meanwhile, the Group actively addressed the challenges of climate change, strengthened its environmental management, and reduced its environmental impact.

Emission Reduction from Power Plants

Emission Reduction Indicators	2023	Accumulated Amount
CO_2 (Kilotons)	7,916	55,460
SO_2 (Tons)	1,892	29,649
NO_x (Tons)	1,973	27,482
Standard Coal Saving (Kilotons)	3,100	20,773
Water Saving (Kilotons)	12,241	112,615

(2) Compliance

During this year, the Group regularly assessed the impact of laws and regulations related to its business and operations, strictly complied with legal requirements, and rigorously implemented industry regulatory requirements for environmental protection, safety, and operations in renewable energy businesses such as wind and solar power generation. The Group continuously enhanced the management and sustainable development capabilities of power plant development, construction, and operation. The Group established a multi-level safety and quality management system, focused on ecological protection, adopted new technologies to reduce environmental impact, safeguarded employee rights, and promoted joint development of the Group and employees.

(3) Customers and Suppliers Relationships

In 2023, the Group maintained good relationships with its customers and suppliers, with no significant disputes.

During the reporting period, sales to the Group's top five customers accounted for 48.34% of the total sales, including 12.62% from the State Grid Hunan Electric Power Company, the largest customer.

During the reporting period, purchases from the Group's top five suppliers accounted for 70.56% of the total purchase amount, with the largest supplier, Yunda Energy Technology Group Co, Ltd., accounting for 27.14%.

IV. HUMAN RESOURCES

The Group consistently upholds the core values of "people-oriented, value creation, and excellence pursuit". It actively engages in organizational optimization and job matching; enhances the tiered training system and IT infrastructure, conducting over 700 training sessions in 2023.

Implement the "Five Highs" HR strategic goals solidly, stimulating organizational vitality with "High synergy", business vitality with "High growth", and employee vitality with "High motivation". Build a "High-quality", "High-performance" talent team, focusing on employee value creation and capability enhancement, driving the upgrades of HR business to support the Group's high-quality development.

As of 31 December 2023, the Group employed 995 full-time employees, including 246 staff at the Group headquarters, 505 in project development and management, and 244 in design, leasing, energy storage and other businesses.

V. FINANCIAL RESOURCES AND COMMITMENTS

As at 31 December 2023, the Group held cash and bank balances of approximately RMB3,902,924,000 (31 December 2022: RMB4,049,279,000); the Group's net assets amounted to RMB8,435,414,000 (31 December 2022: RMB8,094,892,000). The interest-bearing debt balance of the Group was RMB 16,692,318,000 (31 December 2022: RMB 14,052,298,000); the liability-to-asset ratio was 72.99% (31 December 2022: 70.21%).

Pledge of Assets

As of 31 December 2023, the buildings and equipment of the Group were pledged to secure borrowings balance of RMB11,170,018,000 (31 December 2022: RMB10,488,820,000).

Contingent Liability

In June 2019, the Group sold a 75% equity interest in Daoxian Century Concord Wind Power Co., Ltd. ("Daoxian Century Concord") and Daoxian Jingtang Century Concord Wind Power Co., Ltd. ("Daoxian Jingtang"), both of which are wholly-owned subsidiaries, while retaining a 25% equity interest in each as associated companies. The Company provided joint and several liability guarantees for the debts under the lease agreements of the associated company.

In November 2023, the Group sold a 38.75% equity interest in Beijing Century Concord Operation & Maintenance Co., Ltd. ("Concord O&M") and retained a 33.25% equity interest, thereby classifying it as a joint venture. The Group provided financial guarantees to banks for the debts of this joint venture and has offered performance guarantees to third-party companies for the service contracts of the joint venture.

As of December 31, 2023, the outstanding principal amount of debt guaranteed by the Group for the aforementioned associated companies and joint ventures was RMB 443,869,000.

Save as mentioned above, the Group did not have any material contingent liabilities as at 31 December 2023.

Commitments

As of 31 December 2023, the Group had contracted but not yet incurred RMB2,889,393,000 (31 December 2022: RMB2,380,563,000) of capital expenditure.

As of 31 December 2023, the Group has no committed but undrawn equity capital contributions to joint ventures and associates. (31 December 2022: RMB44,500,000).

VI. RISK FACTORS AND RISK MANAGEMENT

The Group's main business is the investment and operation of renewable energy power plants. The main risks faced by the Group include international political risk, exchange rate risk, policy risk, market risk, climate risk and power curtailment risk, etc.

The Group will assess the possible adverse factors, formulate various countermeasures to mitigate the risks, closely follow the international situation and changes in exchange rates, closely track the related policies and evaluate their impacts, formulate scientific electricity trading strategies, strengthen equipment operation management, improve production and operation efficiency and enhance the profitability of power generation. The Group will continue to enhance its capabilities and strengths of project development, implement the strategy that maximizes the synergy between power generation and non-power generation investments, utilize its flexibility advantages to implement its development strategy. The Group will make reasonable geographic distribution of power plants globally to minimize the overall risk of regional wind and solar resource fluctuations, price merchant uncertainties and power curtailments on its power plants.

VII. THE OUTLOOK

With the growing global demand for renewable energy, strengthened policy support, and continuous technological advancements, the efficiency and reliability of renewable energy power generation are improving, while costs are gradually decreasing. The renewable power generation industry will sustain rapid development in the future. This Group will diligently implement new development strategy, firmly seize the opportunities of the era, and focus intently on development, emphasizing the following tasks:

1、 Continuously Strengthen Safety Management to Ensure Safe Production and Construction

The Group will continue to strengthen the safety management and control over power plant production and construction. By focusing on the construction of safety management systems, we will comprehensively advance five core tasks: the quantification of safety responsibility assessments, the establishment of a dual prevention system, standardization and visualization of safety management, quality and environmental protection supervision, and the development of a safety culture. We will conduct thorough inspections to identify various safety hazards, increase the intensity of safety rewards and penalties, and eliminate defects and potential dangers. Meanwhile, we will improve the contingency mechanisms for emergency response and adverse weather conditions to ensure the stability of the Group's safety production situation.

2、 Intensify Project Development Efforts and Steadily Expand the Global Market

The Group will continue to grasp new situations and policies both internally and externally, and intensify project development efforts. We will proactively analyze changes in the China's market, closely monitor industry technological trends, anticipate the impact of electricity marketization on profits, and design development models and plans accordingly. We aim to actively secure high-quality resources, meticulously select projects, optimize technical solutions, and diligently address project uncertainties to ensure the high-quality projects are efficiently implemented.

By focusing on the global market layout, we will conduct research and analysis on renewable energy investments in selected countries, actively identifying and selecting new regions for development. We aim to enhance our international development capabilities, build a robust international business team, and steadily expand into the global market.

3、 Accelerating Project Construction for Rapid Capacity Growth

The Group will effectively manage all construction phases and diligently prepare for pre-construction to expedite project development. Promote the rapid construction and commissioning of the Group's projects under construction and those that have already started preparatory work, in order to achieve rapid growth in its installed capacity.

During construction phase, guided by the concept of 'lowest LCOE', we focus on optimizing design and construction plans, strengthen project management, adhere strictly to safety baselines, enforce quality standards, and strictly control costs and schedules, aiming to build cost-effective and highly efficient power plants.

4、 Proactively Embracing Electricity Market Reform, Boosting Trading and Marketing Capabilities

With the continuous deepening of China's power market reform, the proportion of electricity trading is steadily increasing, gradually heralding the arrival of an era of comprehensive market-oriented transactions. The Group will respond proactively, intensify market research and analysis, thoroughly grasp the demand and competitive dynamics of the power market, and develop well-conceived trading strategies.

The Group prioritizes enhancing our electricity trading and marketing capabilities, actively building a professional trading team, elevate our traders' expertise and skills, thus boosting trading efficiency and profitability. The Group will effectively manage carbon assets and further monetize the environmental value of renewable energy. It will continue to enhance green electricity transactions and green certificate marketing, deepen communication and cooperation with customers, and focus on brand building and marketing promotion.

5、 Continuously Optimize Assets, Effectively Reduce Financing Costs

The Group will closely monitor the progress of electricity market reforms in various provinces and cities in China, conduct thorough research on new policies and regulations regarding electricity transactions, assess the impact and risks of electricity transactions, continuously conduct dynamic evaluations of operational indicators for in-service power plants, enhance the monitoring and analysis of cash flow and debt indicators, focus on the profitability of power plants, carry out targeted asset optimization, and continuously improve asset allocation.

At Present, the Loan Prime Rate (LPR) for 5 year and longer term loans in China has decreased by 25 bps to 3.95% compared to the previous period, reaching a historically low level. The monetary policy in the China’s financial market remains accommodative. The Group will capitalize on the favorable market financing environment, efficiently lower comprehensive financing costs, and enhance overall returns.

6、 Comprehensive Enhancement of Corporate Management Capabilities

The Group will integrate market and business changes, guided by its strategy, to continually optimize organizational structure, strengthen institutional systems, improve management processes, enhance operational efficiency, comprehensively enhance the company's management capabilities and strengthen the execution of the Group’s strategy. Meanwhile, the Group refines its incentive mechanisms in response to changes in the business environment, thereby boosting motivation and creativity, and enhancing the Group's competitiveness and innovation. The Group will focus on talent value creation and capability building, continuously improving employees' professional skills and overall quality. It persistently deepens corporate culture construction, enhancing employees' sense of belonging and cohesion, to promote business development.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2023 have been agreed by the Group's independent auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by KPMG in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on the preliminary announcement.

DIVIDEND

The board of directors recommends to declare a final dividend of HK$0.035 per ordinary share in respect of the year ended 31 December 2023 (2022: HK$0.035), subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. Based on the number of issued ordinary shares as of the date of approving this consolidated financial information, the proposed final dividend amounted to approximately HK$284,218,000. It is expected that the final dividend will be paid out around the end of June 2024. The Company will make further announcement when the book close date is fixed.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2023, the Company repurchased a total of 509,560,000 ordinary shares of the Company for an aggregate consideration of HK$329,918,800 on The Stock Exchange of Hong Kong Limited, all of the purchased shares were cancelled by the Company and the issued share capital of the Company was reduced thereon. Details of the share repurchases during the Year are as follows:

Share Repurchased		**Purchase Price per Share**		
Month	**Number**	**Highest** *HK$*	**Lowest** *HK$*	**Aggregate Amount** *HK$*
March 2023	11,170,000	0.76	0.72	8,354,900
August 2023	27,290,000	0.64	0.61	17,126,100
September 2023	118,350,000	0.65	0.61	75,325,600
October 2023	44,980,000	0.64	0.63	28,622,900
November 2023	111,450,000	0.67	0.63	73,564,100
December 2023	196,320,000	0.67	0.61	126,925,200
	509,560,000			**329,918,800**

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

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2023, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rule.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2023.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Ms. Huang Jian, Ms. Li Yongli and Mr. Zhang Zhong. Ms. Huang Jian is the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. The Group's consolidated financial statements for the year ended 31 December 2023 have been reviewed by the Audit Committee.

APPRECIATION

The Board wishes to take this opportunity to express gratitude to our employees for their contribution and dedication to the Group. We also thank our shareholders, customers and business partners for their continuous support.

For and on behalf of

Concord New Energy Group Limited

Liu Shunxing

Chairman

Hong Kong, 6 March 2024

As at the date of this announcement, the Board comprises Mr. Liu Shunxing (Chairman), Ms. Liu Jianhong (Vice Chairperson), Mr. Gui Kai (Chief Executive Officer), Mr. Niu Wenhui, Mr. Zhai Feng and Ms. Shang Jia (all of above are executive Directors), Mr. Wang Feng (who is a non-executive Director) and Dr. Jesse Zhixi Fang, Ms. Li Yongli, Ms. Huang Jian and Mr. Zhang Zhong (who are independent non-executive Directors).