山高控股集團有限公司
SHANDONG HI-SPEED HOLDINGS GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 412)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Shandong Hi-Speed Holdings Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2023 (the "**Corresponding Period**"), as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000* (Restated)
REVENUE	*5*	**5,580,913**	4,998,261
COST OF SALES AND SERVICES		**(2,944,931)**	(2,762,909)
Gross profit		**2,635,982**	2,235,352
Other income	*6*	**186,849**	172,292
Other gains and losses, net	*7*	**57,066**	1,378,318
Impairment losses on financial assets reversed/(recognised), net	*8*	**75,614**	(28,238)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	*10*	**248,112**	(490,928)
Selling and distribution expenses		**(3,982)**	(3,410)
Administrative and other operating expenses		**(651,490)**	(715,811)
Finance costs	*9*	**(1,792,736)**	(1,869,524)
Share of results of:			
Joint ventures		**(1,443)**	(81,041)
Associates		**40,566**	(46,923)

	Notes	2024 *RMB'000*	2023 *RMB'000* (Restated)
PROFIT BEFORE TAX	*10*	**794,538**	550,087
Income tax expense	*11*	**(101,748)**	(54,969)
PROFIT FOR THE YEAR		**692,790**	495,118
Profit for the year attributable to:			
Owners of the Company		**53,911**	13,643
Holders of perpetual capital instrument		**299,613**	279,758
Non-controlling interests		**339,266**	201,717
		692,790	495,118
EARNINGS PER SHARE			
Basic and diluted	*13*	**RMB0.90 cents**	RMB0.22 cents

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Profit for the year	**692,790**	495,118
Other comprehensive (loss)/income		
Item that will not be reclassified to profit or loss:		
Fair value losses on equity instruments classified as financial assets at fair value through other comprehensive income	**(32,479)**	(405,213)
Items that may be reclassified subsequently to profit or loss:		
Fair value losses on debt instruments classified as financial assets at fair value through other comprehensive income	**(279,730)**	(408,584)
Release of FVTOCI reserve upon disposal of debt instruments at fair value through other comprehensive income	**(4,838)**	155,721
Exchange difference arising on translation of foreign operations	**(105,700)**	(155,676)
Other comprehensive losses for the year	**(422,747)**	(813,752)
Total comprehensive income/(losses) for the year	**270,043**	(318,634)
Total comprehensive (losses)/income for the year attributable to:		
Owners of the Company	**(306,653)**	(721,267)
Holders of perpetual capital instrument	**299,613**	279,758
Non-controlling interests	**277,083**	122,875
	270,043	(318,634)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	**31 December 2024 RMB'000**	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**22,134,799**	21,358,835	18,417,202
Investment properties		**150,790**	475,184	940,327
Right-of-use assets		**2,583,106**	4,004,422	3,767,690
Intangible assets		**3,264,558**	3,397,320	1,399,412
Operating concessions		**1,276,354**	1,343,147	1,389,659
Interests in joint ventures		**393,150**	377,485	410,556
Interests in associates		**6,748,437**	6,656,502	3,171,011
Financial assets at fair value through other comprehensive income	*14*	**868,011**	1,250,398	1,138,227
Financial assets at fair value through profit or loss	*15*	**–**	–	3,751
Finance lease receivables	*16*	**–**	–	26,793
Loans receivables	*17*	**1,542,210**	732,713	904,282
Prepayments, deposits and other receivables	*19*	**856,148**	673,424	2,944,569
Other tax recoverables		**384,087**	474,126	314,902
Other non-current assets		**–**	–	1,223,860
Deferred tax assets		**806,513**	695,682	436,147
Total non-current assets		**41,008,163**	41,439,238	36,488,388
CURRENT ASSETS				
Inventories		**44,686**	64,960	83,935
Contract assets	*18*	**690,081**	768,397	960,140
Financial assets at fair value through other comprehensive income	*14*	**3,404,179**	2,196,760	2,909,820
Financial assets at fair value through profit or loss	*15*	**1,364,658**	1,008,836	3,013,746
Finance lease receivables	*16*	**294,019**	369,355	431,593
Loans receivables	*17*	**1,780,733**	2,757,393	2,157,999
Trade and other receivables	*19*	**12,166,003**	11,162,636	10,165,771
Other tax recoverables		**248,367**	158,045	109,768
Restricted cash and pledged deposits		**514,846**	341,068	240,365
Cash held on behalf of clients		**7,802**	34,809	10,289
Cash and cash equivalents		**4,308,390**	5,202,038	3,890,066
		24,823,764	24,064,297	23,973,492
Assets classified as held for sale		**342,435**	684,298	684,298
Total current assets		**25,166,199**	24,748,595	24,657,790

	Notes	**31 December 2024** **RMB'000**	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000 (Restated)
CURRENT LIABILITIES				
Trade and bills payables	*20*	**890,344**	1,351,351	1,715,592
Other payables and accruals		**1,961,885**	1,626,893	1,914,214
Lease liabilities		**390,065**	611,104	474,592
Borrowings		**17,163,812**	15,433,476	11,975,542
Tax payables		**143,942**	176,809	189,424
Total current liabilities		**20,550,048**	19,199,633	16,269,364
NET CURRENT ASSETS		**4,616,151**	5,548,962	8,388,426
TOTAL ASSETS LESS CURRENT LIABILITIES		**45,624,314**	46,988,200	44,876,814
NON-CURRENT LIABILITIES				
Borrowings		**25,875,627**	26,217,138	26,907,861
Lease liabilities		**1,540,534**	3,104,761	2,585,181
Other non-current liabilities		**9,298**	9,026	1,374,244
Other payables and accruals		**–**	–	11,000
Deferred tax liabilities		**440,814**	463,658	217,220
Total non-current liabilities		**27,866,273**	29,794,583	31,095,506
Net assets		**17,758,041**	17,193,617	13,781,308
CAPITAL AND RESERVES				
Issued capital	*21*	**5,325**	5,325	5,325
Reserves		**(4,208)**	(914,173)	(194,853)
Equity attributable to owners of the Company		**1,117**	(908,848)	(189,528)
Perpetual capital instrument		**6,109,991**	6,476,120	6,465,579
Non-controlling interests		**11,646,933**	11,626,345	7,505,257
Total equity		**17,758,041**	17,193,617	13,781,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. CORPORATE INFORMATION

Shandong Hi-Speed Holdings Group Limited (the "**Company**") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office and the principal place of business in Hong Kong of the Company are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and 38/F., The Center, 99 Queen's Road Central, Central, Hong Kong, respectively.

The Company acts as an investment holding company and its subsidiaries (collectively referred to as the "**Group**") principally engaged in industrial investment, standard investment business, non-standard investment business and licensed financial services.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency of the Company is Hong Kong dollars ("**HK$**"). These financial statements are presented in Renminbi ("**RMB**") in the current year, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are effective for the current year

The Group has applied the following amendments to accounting standards, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), for the first time in the current year:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 18 and consequential amendments to other HKFRSs	Presentation and Disclosure in Financial Statement[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosure[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKAS 21	Lack of Exchangeability[1]
Annual Improvement to HKFRS Accounting Standards 2024	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

[1] Effective for annual periods beginning on or after 1 January 2025.

[2] Effective for annual periods beginning on or after 1 January 2026.

[3] Effective for annual periods beginning on or after 1 January 2027.

[4] Effective for annual periods beginning on or after a date to be determined.

Except for the new and amendments mentioned below, the directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other HKFRSs

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements ("**HKAS 1**"). It carries forward many requirements from HKAS 1 unchanged. HKFRS 18 brings major changes to the consolidated statement of comprehensive income and notes to the consolidated financial statements as follows:

(a) HKFRS 18 requires an entity:

  (i) to classify income and expenses into operating, investing and financing categories in the consolidated statement of comprehensive income, plus income taxes and discontinued operations;

  (ii) to present two new defined subtotals, namely, operating profit or loss and profit or loss before financing and income taxes.

(b) It requires an entity to disclose management-defined performance measures ("**MPM**") and reconciliations between MPM and subtotals listed in HKFRS 18 or totals or subtotals required by HKFRSs.

(c) It sets out requirements to help an entity determine whether information about items should be in the primary financial statements or in the notes and provides principles for determining the level of detail needed for the information.

HKFRS 18 also set out classification requirements for foreign exchange differences, the gain or loss on the net monetary position, and gains and losses on derivatives and designated hedging instruments.

In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 Basis of Preparation of Financial Statements and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18 and consequential amendments to other HKFRSs are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact on the consolidated financial statements.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The consolidated financial statements have been prepared under the historical cost basis, except for investment properties and certain financial instruments which are measured at fair values at the end of each reporting period. Disposal assets held for sale are stated at the lower of their carrying amounts and fair values less costs to sell.

Change in presentation currency

The Company's presentation currency for the consolidated financial statements has been changed from HK$ to RMB. Taking into account that the major business and assets of the Group are located in the Mainland China and most of the Group's transactions are denominated and settled in RMB and its subsidiaries mainly use RMB as their presentation currency, the change of presentation currency will enable the shareholders and potential investors of the Company to have a more accurate picture of the Group's financial performance. The directors consider that it is more appropriate to use RMB as the presentation currency for the Group's consolidated financial statements.

The consolidated financial statements of the Group with RMB as its presentation currency will be the consolidated financial statements of the Group for the year ended 31 December 2024. The change of presentation currency will be applied retrospectively. The comparative figures for 2023 in the consolidation financial statements of the Group for the year ended 31 December 2024 have been restated in RMB. The Group has also presented the consolidated statement of financial position as at 1 January 2023 without related notes.

4. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports that are used to make strategic decisions reviewed by the Group's chief operating decision maker ("**CODM**"). For the year ended 31 December 2024, the Group had four reportable operating segments.

Details are as follows:

(i) Industrial investment segment is engaged in operations of industrial investment-related business;

(ii) Standard investment segment is engaged primarily in trading of listed securities and listed bonds primarily for interest income, dividend income and capital appreciation;

(iii) Non-standard investment segment is engaged in direct investment business including investments in debts instruments, unlisted bonds, notes, unlisted equity investments and investment funds; and

(iv) Licensed financial services segment is engaged primarily in provision of money lending services, securities brokerage services, asset management services, financial leasing, advisory services and asset trading platform.

In addition to the above reportable segments, other segments that do not meet the quantitative thresholds for the reporting segments in both current and prior years were grouped in "Unallocated".

CODM monitors the results of the Group's operating segments separately as described above, for the purpose of making decisions about resource allocation and assessment of the Group's performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that unallocated income, unallocated finance costs, unallocated expenses and share of results of joint ventures and associates are excluded from such measurement.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments except corporate assets; and

- all liabilities are allocated to reportable segments except corporate liabilities, certain deferred tax liabilities, certain borrowings and certain other payables and accruals.

	Industrial investment		Standard investment		Non-standard investment		Licensed financial services		Unallocated		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000* (Restated)	***RMB'000***	*RMB'000* (Restated)	***RMB'000***	*RMB'000* (Restated)	***RMB'000***	*RMB'000* (Restated)	***RMB'000***	*RMB'000* (Restated)	***RMB'000***	*RMB'000* (Restated)
Segment revenue	**4,423,147**	4,497,817	**57,857**	113,683	**960,668**	220,278	**139,241**	166,483	**–**	–	**5,580,913**	4,998,261
Segment results	**367,028**	1,877,058	**8,624**	(688,870)	**728,050**	(340,025)	**(43,649)**	(74,304)	**–**	–	**1,060,053**	773,859
Unallocated income*											**8,363**	11,664
Unallocated finance costs											**(140,460)**	(47)
Unallocated expenses**											**(172,541)**	(107,425)
Share of results of												
– Joint ventures											**(1,443)**	(81,041)
– Associates											**40,566**	(46,923)
Profit before tax											**794,538**	550,087

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in current and prior years.

Amounts included in the measurement of segment profit or loss or segment assets is as follows:

* Unallocated income mainly included exchange gain of approximately RMB8,363,000 (2023: RMB2,604,000) and fair value gains on investment properties of approximately RMBnil (2023: RMB9,040,000).

** Unallocated expenses mainly included employee benefit expenses of approximately RMB78,445,000 (2023: RMB91,623,000) and depreciation of approximately RMB27,904,000 (2023: RMB15,747,000).

Geographical information

Geographical segment information in relation to the location of the Group's revenue is not presented since over 90% of the Group's revenue is generated in the People's Republic of China (the "**PRC**") for the years ended 31 December 2024 and 2023. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no addition useful information to the users of these consolidated financial statements.

No customer of the Group has contributed over 10% of the total revenue of the Group for the current and prior years.

Geographical segment information in related to the location of the Group's assets is not presented since over 90% of the Group's assets are located in the PRC as at 31 December 2024 and 2023. Accordingly, in the opinion of the directors, the presentation of geographical information would provide no additional useful information to the users of these consolidated financial statements.

5. REVENUE

Disaggregation of revenue from contracts with customers

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Revenue from contracts with customers		
Sale of electricity and entrusted operation services		
Photovoltaic power business	**2,486,893**	2,727,470
Wind power business	**1,186,855**	955,702
Entrusted operation services	**46,891**	108,392
Construction and related services	**125,409**	124,345
Provision of clean heat supply services	**577,099**	581,908
Consultancy services income	**22,817**	43,237
Income from brokerage business	**8,015**	20,129
Income from asset management and performance	**603**	2,294
	4,454,582	4,563,477
Timing of revenue recognition		
Recognised at a point in time	**3,778,155**	4,452,719
Recognised over time	**676,427**	110,758
	4,454,582	4,563,477

Set out below is the reconciliation of the revenue from contracts with customers with the amounts:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Revenue from contracts with customers	**4,454,582**	4,563,477
Finance lease income	**48**	2,554
Interest income from money lending operations	**96,479**	68,480
Interest income from debt investments	**889,205**	66,588
Interest income from financial assets at FVTPL	**12,951**	116,537
Interest income from financial assets at FVTOCI	**125,126**	170,193
Dividend and distribution income from financial assets at FVTPL	**2,522**	10,432
	5,580,913	4,998,261

6. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Bank interest income	**69,065**	43,092
Other interest income	**10,680**	46,978
Government grants	**15,683**	27,081
Management income	**53,976**	21,885
Fair value gains on financial guarantees	**–**	2,509
Others	**37,445**	30,747
	186,849	172,292

7. OTHER GAINS AND LOSSES, NET

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Impairment losses recognised in respect of		
– property, plant and equipment	**(3,607)**	(33,534)
– interests in associates	**(56,944)**	(47,100)
Gains on early termination of lease	**819**	17
Foreign exchange gains/(losses), net	**88,694**	(105,367)
Gains on disposal of joint ventures	**–**	2,313
Losses on disposal of other receivables	**–**	(48,726)
Gains on bargain purchase from acquisition of subsidiaries	**–**	314,170
Gain on bargain purchase from acquisition of an associate	**–**	1,426,355
Gains/(losses) on disposal of debt instruments at FVTOCI, net	**4,838**	(155,721)
Gains on debt restructuring	**24,730**	28,398
Losses on disposal of property, plant and equipment	**(1,464)**	(11,527)
Fair value gains on investment properties	**–**	9,040
	57,066	1,378,318

8. IMPAIRMENT LOSSES ON FINANCIAL ASSETS REVERSED/(RECOGNISED), NET

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Impairment losses on financial assets reversed/(recognised), net in respect of:		
Finance lease receivables	**(34,575)**	(2,578)
Loans receivables	**73,608**	(99,369)
Trade and other receivables	**36,581**	73,709
	75,614	(28,238)

9. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Interest on bank borrowings	**1,445,132**	1,313,791
Interest on other borrowings	**316,869**	380,049
Interest on bonds	**209,664**	246,910
Interest on lease liabilities	**169,569**	221,034
	2,141,234	2,161,784
Less: Finance costs included in cost of sales and services	**(341,732)**	(282,501)
Interest capitalised	**(6,766)**	(9,759)
	1,792,736	1,869,524

10. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Auditor's remuneration:		
– Audit services	**5,084**	3,797
– Non-audit services	**481**	2,007
	5,565	5,804
Employee benefit expenses:		
Directors' remuneration:		
– Fee	**1,784**	1,754
– Salaries, allowances and benefit in kind	**17,114**	17,059
– Retirement benefit scheme contributions (defined contribution scheme)*	**72**	75
Sub-total	**18,970**	18,888
Other staff costs:		
– Salaries, allowances and benefits in kind	**235,821**	252,006
– Retirement benefit scheme contributions (defined contribution scheme)*	**29,551**	30,572
Sub-total	**265,372**	282,578
Total employee benefit expenses	**284,342**	301,466

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Sales proceeds from disposal of financial assets at FVTPL	**(440,215)**	(3,125,405)
Carrying amount of financial assets at FVTPL	**457,680**	3,441,175
Realised losses from financial assets at FVTPL, net	**17,465**	315,770
Unrealised (gain)/loss from financial assets at FVTPL, net	**(265,577)**	175,158
Fair value (gain)/loss on financial assets at FVTPL, net	**(248,112)**	490,928
Cost of sales of electricity and entrusted operation services	**1,767,694**	1,671,906
Cost of construction and related services	**107,775**	104,974
Cost of clean heat supply services	**526,301**	530,328
Cost of other services provided	**201,429**	173,200
Amortisation of operating concessions	**71,202**	75,355
Amortisation of operating rights	**149,757**	85,434
Amortisation of other intangible assets	**3,203**	2,771
Depreciation of property, plant and equipment	**1,478,519**	1,358,439
Depreciation of right-of-use assets	**197,132**	211,176
Expenses relating to short term leases	**15,275**	19,632

Note:

* As at 31 December 2024, the Group had no material forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (2023: nil).

11. INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Current tax		
– Provision for the year		
– PRC Corporate Income Tax	**238,464**	223,081
– Singapore Corporate Income Tax	**3,802**	2,063
– Underprovision/(overprovision) in prior years		
– PRC Corporate Income Tax	**(6,722)**	(2,079)
– Singapore Corporate Income Tax	**–**	230
	235,544	223,295
Deferred tax credit, net	**(133,796)**	(168,326)
Income tax expense	**101,748**	54,969

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the years ended 31 December 2024 and 2023.

No provision for taxation in Hong Kong has been made as the Group has sufficient tax losses brought forward to set off against the assessable profit for the years ended 31 December 2024 and 2023.

The PRC Corporate Income Tax provision in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the year based on the prevailing legislation, interpretations and practices in respect thereof. In accordance with the relevant tax rules and regulations of Mainland China, a number of the Company's subsidiaries enjoy income tax exemptions and reductions because (i) these companies are engaged in the operation of photovoltaic and wind power plants; and (ii) they have operations in certain regions of the PRC that are qualified for certain concessionary corporate income tax rates for a prescribed period of time.

Singapore Corporate Income Tax is calculated at 17% on the assessable profits of the subsidiaries in accordance with Singapore tax laws and regulations for the years ended 31 December 2024 and 2023.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

12. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2024 (2023: RMBnil), nor has any dividend been proposed since the end of the reporting period.

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	**53,911**	13,643
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**6,019,431**	6,019,431

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Non-current assets		
Unlisted equity investments		
– Outside Hong Kong	**340,680**	340,070
Listed equity investments		
– In Hong Kong *(Note (ii))*	**34,889**	53,313
– Outside Hong Kong *(Note (ii))*	**–**	35,082
Listed bonds		
– In Hong Kong	**1,010**	4,900
– Outside Hong Kong	**40,585**	41,977
Investment funds		
– Outside Hong Kong	**124,680**	126,350
Unlisted bonds		
– Outside Hong Kong	**326,167**	648,706
	868,011	1,250,398
Current assets		
Notes		
– Outside Hong Kong	**787,221**	776,096
Listed bonds		
– Outside Hong Kong	**38,824**	42,193
Unlisted bonds		
– Outside Hong Kong	**2,578,134**	1,378,471
	3,404,179	2,196,760

Notes:

(i) As at 31 December 2024 and 2023, no individual investment in financial assets at fair value through other comprehensive income ("**FVTOCI**") and its fair value is over 5% of the total assets of the Group.

(ii) The Group designated certain listed equity instruments that are measured at FVTOCI, as the Group intended to hold the equity instruments for a long term.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Current assets		
Held-for-trading listed equity investments		
– In Hong Kong	**30,186**	34,124
– Outside Hong Kong	**1,772**	9,047
	31,958	43,171
Held-for-trading investment funds		
– In Hong Kong	**58,540**	49,193
– Outside Hong Kong	**119,592**	126,490
	178,132	175,683
Other investment funds		
– Outside Hong Kong	**553,173**	493,416
Held-for-trading listed bonds		
– Outside Hong Kong	**307**	11,758
Unlisted equity investments		
– Outside Hong Kong	**601,088**	284,808
	1,364,658	1,008,836

Note:

(i) As at 31 December 2024 and 2023, no individual investment in financial assets at fair value through profit or loss ("**FVTPL**") and its fair value is over 5% of the total assets of the Group.

16. FINANCE LEASE RECEIVABLES

The carrying amounts of finance lease receivables are set out below:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Within one year	**294,019**	369,355
Carrying amount of finance lease receivables	**294,019**	369,355

17. LOANS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Loans receivables	**3,755,715**	3,996,444
Less: allowance for impairment losses	**(432,772)**	(506,338)
	3,322,943	3,490,106
Analysed for reporting purpose as:		
Non-current assets	**1,542,210**	732,713
Current assets	**1,780,733**	2,757,393
	3,322,943	3,490,106

An aging analysis of loans receivables (net of impairment), determined based on the time to maturity of the loans receivables, as at the end of the reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
To be due within:		
Within 90 days	**851,105**	1,839,915
91 days to 180 days	**–**	–
181 days to 1 year	**827,868**	917,478
1 year to 2 years	**–**	732,713
2 years to 5 years	**1,643,970**	–
	3,322,943	3,490,106

18. CONTRACT ASSETS

		2024	2023
	Notes	***RMB'000***	*RMB'000*
			(Restated)
Tariff adjustment receivables	*(i)*	**659,052**	650,032
Construction contracts	*(ii)*	**31,029**	112,942
Retention money	*(ii)*	**–**	5,423
		690,081	768,397

Notes:

(i) Tariff adjustment receivables included in contract assets represented the PRC central government renewable energy subsidy for the Group's photovoltaic and wind power plant projects that are to be billed and settled upon entering into the list of national renewable energy power generation subsidies for the renewable energy power generation project (the "**Project List**"). In the opinion of the directors, the registration procedures of the Project List for the Group's photovoltaic and wind power plant projects are of administrative in nature and the Group will comply with the related procedures stipulated by the current government policy in Mainland China and all other attaching conditions, if any.

(ii) Contract assets are initially recognised for revenue earned from construction and related services as the receipt of consideration is conditional on construction progress. Included in contract assets for construction and related services are retention receivables. Upon completion of certain milestones as agreed with customers and such being accepted by them, the amounts recognised as contract assets are reclassified to trade receivables.

19. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Trade receivables arising from the ordinary course of business of:		
– Renewable energy	**1,497,306**	1,536,939
– Dealing in securities	**94,447**	208,175
– Others	**14,282**	6,678
Bills receivable	**8,655**	10,001
Tariff adjustment receivables *(Note (i))*	**7,168,375**	6,270,759
	8,783,065	8,032,552
Less: allowance for impairment losses	**(972)**	(1,908)
	8,782,093	8,030,644
Prepayments	**849,370**	574,624
Interest receivables	**401,077**	287,924
Deposits and other receivables	**2,257,844**	2,149,401
Due from joint ventures	**376,153**	538,173
Due from associates	**386,916**	320,198
	4,271,360	3,870,320
Less: allowance for impairment losses	**(31,302)**	(64,904)
	4,240,058	3,805,416
	13,022,151	11,836,060
Analysed for reporting purpose as:		
Non-current assets	**856,148**	673,424
Current assets	**12,166,003**	11,162,636
	13,022,151	11,836,060

Note:

(i) Tariff adjustment receivables included in trade receivable represent the PRC central government renewable energy subsidy for the Group's photovoltaic and wind power plant projects that have been registered into the Project List.

The following is an aging analysis of trade and bills receivables (excluding tariff adjustment receivables), net of allowance for impairment losses, presented based on the trade date/invoice date (or date of revenue recognition, if earlier):

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Within 90 days	**551,912**	685,208
91 days to 180 days	**32,795**	85,112
181 days to 1 year	**188,089**	75,255
1 year to 2 years	**188,515**	394,385
Over 2 years	**652,407**	519,925
	1,613,718	1,759,885

The following is an aging analysis of tariff adjustment receivables, net of allowance for impairment losses, presented based on the date of revenue recognition:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Within 90 days	**561,344**	483,286
91 days to 180 days	**450,222**	511,285
181 days to 1 year	**799,907**	1,471,724
1 year to 2 years	**2,462,880**	1,591,280
Over 2 years	**2,894,022**	2,213,184
	7,168,375	6,270,759

Except for the trade receivables attributable to the dealing in securities transactions, the Group's trading terms with its customers are mainly on credit, except for certain new customers where payment in advance is normally required. The Group generally allows credit periods of 30 days to 90 days (2023: 30 days to 90 days) to its customers, and generally accepts settlement of certain trade receivables by bank and commercial bills with maturity periods ranging from 90 days to 180 days (2023: 90 days to 180 days) after taking into consideration the customers' historical repayment record and current ability of making payments.

The settlement terms of trade receivables attributable to the dealing in securities transactions are two days after the trade date, except for the balances with margin clients which are repayable on demand.

20. TRADE AND BILLS PAYABLES

An aging analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Within 90 days	**9,862**	119,617
91 days to 180 days	**34,464**	92,433
181 days to 1 year	**149,555**	222,389
1 year to 2 years	**177,042**	96,943
Over 2 years	**519,421**	819,969
	890,344	1,351,351

The trade payables are non-interest-bearing. Trade and bills payables are normally settled on terms of 30 days to 180 days.

21. ISSUED CAPITAL

	2024		2023	
	No. of shares	**Amount**	No. of shares	Amount
	'000	***RMB'000***	*'000*	*RMB'000*
				(Restated)
Ordinary shares of HK$0.001 each				
Authorised:				
At the beginning and the end of the reporting period	**500,000,000**	**442,308**	500,000,000	442,308
Issued and fully paid:				
At the beginning and the end of the reporting period	**6,019,431**	**5,325**	6,019,431	5,325

22. EVENTS AFTER THE END OF THE REPORTING PERIOD

Non-adjusting events after the reporting period

On 28 January 2025, Shandong Hi-Speed New Energy Group Limited ("**SHNE**") and the Company jointly issued a composite document (the "**Composite Document**") in relation to, among others, making (i) a mandatory unconditional cash offer for all the issued shares (other than those already owned and/or agreed to be acquired by the Company and parties acting in concert with it) (the "**Share Offer**") under Rule 26.1 of The Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (the "**Takeovers Code**"); and (ii) an appropriate cash offer to the holders of any outstanding share options granted by SHNE pursuant to the share option scheme adopted by SHNE on 11 June 2013 (the "**SHNE Options**") to cancel all the SHNE Options (the "**Option Offer**", together with the Share Offer, the "**Offers**") under Rule 13 of the Takeovers Code.

On 18 February 2025, the Offers were closed and the Company had received:

(i) 13 valid acceptances in respect of a total of 82,936,512 shares under the Share Offer, representing approximately 3.69% of the entire issued share capital of SHNE; and

(ii) no valid acceptance for the Option Offer.

Immediately after the close of the Offers, the Company and parties acting in concert with it were interested in an aggregate of 1,362,814,764 Shares, representing approximately 60.66% of the entire issued share capital of SHNE.

23. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to conform to the current year's presentation and accounting treatment, and a third statement of financial position as at 1 January 2023 has been presented.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group recorded a revenue of approximately RMB5,580,913,000 as compared with approximately RMB4,998,261,000 for the Corresponding Period, representing an increase of approximately 11.66% year-over-year; gross profit of approximately RMB2,635,982,000 as compared with approximately RMB2,235,352,000 for the Corresponding Period, representing an increase of approximately 17.92% year-over-year; profit for the year of approximately RMB692,790,000 as compared with approximately RMB495,118,000 for the Corresponding Period, representing an increase of approximately 39.92% year-over-year; and the basic earning per share attributable to owners of the Company of approximately RMB0.90 cents as compared with approximately RMB0.22 cents for the Corresponding Period.

As at 31 December 2024, the Group recorded total assets of approximately RMB66,174,362,000 (2023: RMB66,187,833,000) and total liabilities of approximately RMB48,416,321,000 (2023: RMB48,994,216,000), and therefore net assets of approximately RMB17,758,041,000 (2023: RMB17,193,617,000).

MARKET REVIEW

In 2024, the world economy generally operated in a solid manner with not only the favorable aspects such as sustained growth, trade recovery and a deceleration in price increases, but also certain new economic risks arising from great power competition, the resurgence of populism and other issues. Compared with the global economic average growth rate of around 4% before the outbreak of the COVID-19 pandemic, the world economic growth rate in 2024 is relatively sluggish. This trend may indicate that the global economy is entering a new normal phase of medium-to-low growth.

Amid the increasing uncertainty of the global economy, China firmly advanced the strategies of high-quality development and high-standard opening up, with "overall stable performance and steady growth" of the economy, continuously serving as the "stable anchor" and the "driving force" to the world economy. In 2024, China's economy had demonstrated a strong resilience, with the vibrant domestic consumer market and robust growth in infrastructure investment jointly forming key drivers for economic growth. Despite the dual challenges of weakened external demand and the restructuring of global supply chain, replying on the continuous and steady development of new quality productive forces, the deep integration of artificial intelligence (AI) technologies into various industries in China was accelerated. In the manufacturing sector, especially in the new energy and advanced manufacturing sector, a transformation towards digitalization and greening is in progress at an unprecedented speed and remarkable results has been achieved, showing extraordinary innovative strength and huge potential for industry upgrading. Against this backdrop, China's GDP growth rate remained firmly at around 5%, highlighting its economic resilience and development vitality.

GROUP STRATEGY AND OPERATIONS

The Group actively responded to the national policy and guidance in promoting the construction of a modern industrial system and accelerating the development of new quality productive forces, fully implemented the new development concept, focused on the field of electricity and computing power technology, continuing to promote the strategic transformation to a distinguished industrial holding group.

Recognizing the turning point of the industry where the global energy revolution and the integration of AI are accelerating, the Company innovatively implemented the "Dual-track + Dual-circulation" strategy, actively responded to the national policy guidance regarding vigorously promoting the construction of a modern industrial system, accelerating the development of new quality productive forces, fully implemented the new development concept, precisely placed its strategic focus on the field of electricity and computing power technology, continuously to promote the strategic layout for transformation to a distinguished industrial holding group, striving to achieve a leapfrog development and upgrade.

The Group was committed to accelerating the cultivation of new quality productive forces led by green computing power through capital empowerment, and contributing to the construction of a clean energy system and a new computing power network system. Over the past two years, through the successful acquisition of SHNE (01250.HK) and strategic investment in VNET Group, Inc. (VNET.US) ("**VNET**"), a solid foundation of the Group's electricity and computing power technology business had been laid, and a digital economy ecosystem of "AI computing power + Digital assets + Scenario applications" was established. During the Reporting Period, the Group's industrial layout in new energy sector was further strengthened by increasing its shareholding in SHNE. The Group deeply explored the industrial penitential of SHNE and VNET, comprehensively strengthened the industrial investment and management, and established an industry ecosystem of electricity and computing power technology with the core competitiveness of integrated electricity and computing power and the unique characteristics of the Company leveraging on professional industrial management and diversified capital operation strategies. As of 31 December 2024, total assets of the Group were approximately RMB66.17 billion, of which investments in emerging industries were approximately RMB52.01 billion, accounting for 78.60% of our total assets.

In terms of other investment businesses, the Group actively responded to changes in the market, prudently carried out traditional investment businesses, and strictly controlled investment risks brought about by market fluctuations. At the same time, the Group has accelerated the disposal of assets with existing risks in an orderly manner to protect the interests of the Group to the greatest extent to blaze a path to healthy and sustainable development of high quality.

BUSINESS REVIEW

(i) Industrial investment business

In terms of investment strategy, the Group continued to increase its investments in strategic emerging industries including new energy and new infrastructure. Among them, regarding new energy segment, the Group fully utilized the brand impact and resource endowment advantages of Shandong Hi-Speed Group Co. Ltd. ("**SDHS Group**"), its controlling shareholder, to coordinate and assist SHNE to achieve historical breakthrough in obtaining indicators for new energy. In 2024, SHNE accumulatively obtained indicators for new energy of over 4 GW. It is worth mentioning that, following the successful acquisition of indicator for wind power in bidding of the first batch of centralized onshore wind power projects in the Shandong Province's "14th Five-Year Plan" in 2023, SHNE further successfully acquired indicator of over 350 MW for wind power in bidding of the second batch of centralized onshore wind power projects in the Shandong Province's "14th Five-Year Plan", together with an indicator of 175 MW for distributed wind power projects in Shandong Province during the Reporting Period. During the Reporting Period, through increasing its shareholding in SHNE, the Group further strengthened its strategic position and layout depth in the new energy industry, laying a solid foundation for market expansion and industrial collaboration in the future. In terms of new infrastructure segment, the Group had dispatched director(s) and senior executive(s) to VNET, and initially realized the comprehensive enhancement and improvement in management efficiency, intrinsic value and market value of the invested company by deeply participating in the major decision-making processes of and fully providing resource empowerment for VNET, as well as actively promoting the deep integration and collaborative development of "electricity + computing power" businesses. With the strategic investment of the Group, VNET had completely overcome multiple difficulties including liquidity pressure, debt defaults of founder and the unclear growth trend. At present, the listing rate and pre-commitment rate of the Company's key projects are steady increasing, demonstrating strong market demand and business vitality. Meanwhile, international credit rating agencies had upgraded the rating of VNET, indicating market recognition and affirmation of its credit status and operational capabilities. In terms of financial performance, VNET had made a remarkable turnaround, shifting from losses to profitability, with a significant increase in its share price, bringing substantial returns to investors.

With the completion of the industrial layout of "new energy + new infrastructure", the Group had shifted its focus to the field of electricity and computing power technology, actively promoted the in-depth collaboration and linkage among its various industries to establish a digital economy ecosystem of "AI computing power + Digital assets + Scenario applications". During the Reporting Period, SHNE, jointly with VNET, officially entered into a framework agreement with the Ulanqab Municipal government of Inner Mongolia in relation to big data and new energy, in a move to explore the creation of a collaborative industrial ecological model of "integration of source, network, load and storage", and jointly promote the implementation of the integration project of source, network, load and storage in Ulanqab, Inner Mongolia. Upon the completion of the project, the business closed loop between power generation and consumption will be realized, and the ecological closed loop of "electricity + computing power" is expected to be formed with "power is used when generated and is available when needed, with reasonable pricing and for mutual benefit". During the Reporting Period, under the organizational coordination of the Group, the integration project of source, network, load and storage with electricity + computing power in Ulanqab had achieved material progress, with smooth progress in the construction of data center and contracting with customers, as well we the approval of supporting indicators for new energy, which are expected to be gradually implemented in 2025.

During the Reporting Period, benefiting from the strategic synergies brought about by the Group's resource integration, the industrial investment business segment recorded a profit of approximately RMB367 million, as compared to a profit of approximately RMB1.88 billion for the Corresponding Period.

(ii) Standard investment business

In 2024, the Federal Reserve cumulatively lowered the federal funds rate by 100 basis points, while the medium-to long-term benchmark rates remained volatile at a high level due to high inflation and sluggish cooling of employment data, and the U.S. government transition during the election year added more uncertainty to future economic policies, with reflation risks lingering. The market of the USD bond from Chinese enterprises exhibited persistent divergence throughout the year. High-rated entities and those bolstered by robust shareholder support maintained stable performance, while the fundamentals of high-yield private entities did not show any significant improvement, accompanied by a rising trend of secondary defaults. More critically, restructuring plans of these entities were often unfavorable to the creditors, which further aggravated the market's concerns. In the face of the complex and volatile market environment, the Group's standard fixed-income investment team continued to follow the cautious investment strategy, maintaining a further underweight overall position and decreasing the proportion of high-risk and long-term target holdings. As of the end of the Reporting Period, the overall size of the standard bond investment has been significantly reduced from its peak.

During the Reporting Period, due to the market volatility, the Group's standard investment business incurred a gain of approximately RMB6 million on a fair value basis, as compared to a loss of approximately RMB378 million recorded for the Corresponding Period.

(iii) Non-standard investment business

During the Reporting Period, the Group insisted on resolving existing risks as the top priority. Concentrating its efforts and focusing on debt restructuring, asset revitalization, and comprehensive disposal, the Group implemented various measures to reduce the credit exposure of its existing non-standard investment business, and achieved significant breakthroughs in some projects with existing risks. At the same time, the Group prudently grasped investment opportunities aligned with its industrial investment strategy, actively seeking promising industrial investment targets and upstream/downstream companies in real economy sectors such as new energy and new infrastructure. This approach aimed to foster synergistic development across entire industrial chains by providing precise and efficient financing services.

Benefiting from the revitalization of existing key projects and the revenue contribution from certain high-quality projects, non-standard investment business of the Group turned around and recorded a profit of approximately RMB728 million for the Reporting Period, as compared to a loss of approximately RMB340 million for the Corresponding Period.

(iv) Licensed financial services

The Group currently holds licences of types 1, 4, 5, 6 and 9 issued by the Securities and Futures Commission of Hong Kong and a money lender licence in Hong Kong, as well as licences including Qualified Foreign Limited Partner (QFLP) fund manager and financial leasing in Mainland China. The Group's services include corporate and individual clients in Mainland China, Hong Kong and other regions of the world, providing integrated financial services related to cross-border investment and financing needs in Mainland China and Hong Kong. During the Reporting Period, the licensed financial services business recorded a loss of approximately RMB44 million as compared to a loss of approximately RMB74 million for the Corresponding Period.

FUTURE PROSPECTS

In 2025, the global economic land scape is gradually revealing signs of a moderate yet steady recovery. The rapid advancement of AI technology acts as a potent new driving force, injecting unprecedented vitality and growth potential into the global economy. However, the path to global recovery remains fraught with challenges: escalating international trade conflicts and geopolitical risks are accelerating the restructuring of global industrial chains and supply networks. Against this backdrop, the Chinese government has prioritized comprehensive domestic demand expansion as the cornerstone of its economic strategy. By implementing moderately accommodative monetary policies and proactive fiscal measures, China aims to stimulate economic dynamism and accelerate industrial transformation, fostering a favorable monetary and financial environment.

2025 marks the concluding year of China's "14th Five-Year Plan" and serves as a pivotal transition to the "15th Five-Year Plan". New quality productive forces will accelerate their empowerment across industries, driving profound structural transformation and industrial upgrading, with the new energy sector and the new infrastructure sector continuing to act as economic stabilizers. In the new energy sector, China is expediting the establishment of a new-type power system dominated by the new energy, and the full market integration of new energy generation will propel the construction of a unified national electricity market, promoting the industrial transformation from high-speed growth to high-quality development. In new infrastructure, data centers, positioned as the computational backbone for AI, are gaining strategic prominence, rapidly evolving into intelligent computing hubs and achieving breakthroughs in green sustainability, smart operations, and market diversification.

In the new year, the Group will closely align with national strategic development directions and the trends of the technology industry, seize the historic opportunities presented by the AI development, fully leverage the Group's industrial advantages in the dual-track layout of new energy power and data center computing power, enhance the empowerment of industrial resources to invested enterprises, and focus on building a technology industrial ecosystem with integrated electricity-computing as its core competitiveness and featuring the Company's characteristics through specialized industrial operations and diversified capital operations.

The Group will deeply strengthen the industrial collaboration between SHNE and VNET in the "electricity + computing power" field, making the construction of an ultra-large-scale data center integrated with green power in a "integration of source, network, load and storage" model a core strategic task. It will coordinate the collaborative layout of computing power and power infrastructure to ensure the realization of "local supply and local consumption" of new energy power, providing green and efficient computing power support for the development of the digital economy. At the same time, the Group will continue to leverage the resources and brand advantages of SDHS Group, intensify efforts to explore key markets, fully utilize comprehensive competitive advantages, and actively strive for more and larger-scale policy and competitive resource allocation indicators.

Looking ahead, the Group will closely focus on the strategic development goals of the electricity-computing technology industry, comprehensively coordinate and optimize the asset allocation of various business segments: deeply engage in the digital ecosystem, identify high-quality investment targets within the electricity-computing industry, and solidly advance the effective implementation of the strategic layout in the electricity-computing industry. It will adhere to technological innovation as the core driving force for business development, enhance the development quality and efficiency of long-term assets such as power stations. The Group will continuously explore new business models and formats, create new growth drivers and build business growth curves to steadily propel its steady development.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Group had sufficient liquidity and working capital to maintain its business operations. As at 31 December 2024, the total amount of cash and cash equivalents of the Group which were mostly denominated in RMB, USD and HKD, was approximately RMB4,308,390,000 (2023: RMB5,202,038,000), total assets were approximately RMB66,174,362,000 (2023: RMB66,187,833,000) and total borrowings were approximately RMB43,039,439,000 (2023: RMB41,650,614,000).

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position during the year ended 31 December 2024. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

As at 31 December 2024, the Company had a total of 6,019,431,109 issued shares with a par value of HK$0.001 each, and the total profit attributable to the owners of the Company was approximately RMB1,117,000 (2023: the total loss attributable to the owners of the Company of RMB908,848,000).

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2024, the outstanding borrowings of the Group were comprised of bank borrowings, bonds and other borrowings which were approximately RMB32,086,591,000 (2023: RMB27,491,802,000), RMB5,026,320,000 (2023: RMB6,036,831,000) and RMB5,926,528,000 (2023: RMB8,121,981,000), respectively. As at 31 December 2024, the outstanding bonds of the Group included a guaranteed bond with a coupon rate of 4.30% per annum (the outstanding amount: approximately RMB731,654,000), a guaranteed bond with a coupon rate of 4.10% per annum (the outstanding amount: approximately RMB3,600,160,000), guaranteed bonds with coupon rates ranging from 4.20% to 4.90% per annum (the outstanding amount: approximately RMB194,506,000) and an ultra-short-term financing notes with a coupon rate of 2.24% per annum (the outstanding amount: approximately RMB500,000,000). The above stated bonds and other borrowings were denominated in USD, RMB and HKD.

GEARING RATIO

As at 31 December 2024, the gearing ratio (total outstanding borrowings divided by total assets) of the Group was approximately 65.04% (2023: 62.93%).

FOREIGN EXCHANGE RISK MANAGEMENT

The Group's monetary assets, liabilities and transactions are mainly denominated in RMB, HKD and USD. The Group is mainly exposed to foreign exchange risk with respect to Renminbi which may affect the Group's performance. The Group will pay attention to the possible exchange rate exposure due to the continuing fluctuation of Renminbi, closely monitor its impact on the performance of the Group and consider adopting appropriate hedging measures when necessary. In addition, the Group also pays attention to the impact of the U.S. interest rate fluctuations on its U.S. dollar-denominated assets from time to time, and takes appropriate response measures. During the Reporting Period, the Group's management considers the impact of foreign exchange exposure on the Group was insignificant therefore, the Group has neither held any financial instruments for hedging purposes, nor any currency borrowings or other hedging instruments to hedge.

PLEDGE OF ASSETS

As at 31 December 2024, certain of the Group's bank borrowings, other borrowings and bills payables, were secured by:

- guarantees provided by SDHS Group;
- guarantees provided by the Company and certain subsidiaries;
- pledges over certain of the Group's financial assets at fair value through other comprehensive income;
- pledges over certain trade receivables and contract assets of certain subsidiaries of the Group;
- pledges over certain of the Group's property, plant and equipment;
- pledges over certain of the Group's operating concessions;
- pledges over certain of the Group's bank deposits; and/or
- pledges over the Group's equity interest in certain subsidiaries and associates.

Save as disclosed above, as at 31 December 2024, the Group did not have any other pledge of assets.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group did not have any significant contingent liabilities during the Reporting Period.

As at 31 December 2024, the Group had capital commitments, which were contracted but not provided in the consolidated financial statements, in respect of construction, material and equipment costs for development of clean energy project and capital contributions to joint ventures amounting to approximately RMB495,010,000 (2023: RMB220,799,000) and approximately RMB332,336,000 (2023: RMB265,500,000), respectively.

MATERIAL ACQUISITION AND DISPOSAL

During the Reporting Period, the Group has conducted the following material acquisition:

Acquisition of further equity interest in SHNE

On 13 November 2024, CTSL Green Power Investment Limited ("**Vendor-A**"), CTSL New Energy Investment Ltd ("**Vendor-B**", together with Vendor A, the "**Vendors**") and the Company (as purchaser) entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which the Company conditionally agreed to acquire from the Vendors and each of Vendor-A and Vendor-B conditionally agreed to sell to the Company 151,898,734 shares of SHNE (the "**SHNE Shares**") representing approximately 6.76% of the total issued share capital of SHNE as at the date of Sale and Purchase Agreement respectively, i.e. an aggregate of 303,797,468 SHNE Shares (the "**Sale Shares**") representing approximately 13.52% of the total issued share capital of SHNE as at the date of the Sale and Purchase Agreement (the "**Acquisition**"), at the consideration of HK$540,759,493.04 in aggregate (the "**Consideration**"), which was payable and had been fully settled upon the completion of the Sale and Purchase Agreement (the "**Completion**") which took place on 27 December 2024. Immediately upon Completion, SHNE remained as a non-wholly owned subsidiary of the Company, whose shareholding increased from 43.45% to 56.97%.

Further details of the Acquisition are set out in the joint announcements of the Company and SHNE dated 27 November and 27 December 2024, the circular of the Company dated 9 December 2024 and the announcement of the Company dated 24 December 2024.

As the Completion has taken place, the Company as the offeror was required to make (i) a mandatory unconditional cash offer for all the issued SHNE Shares (other than those already owned and/or agreed to be acquired by the Company and parties acting in concert with it) (the "**Share Offer**") under Rule 26.1 of The Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (the "**Takeovers Code**"); and (ii) an appropriate cash offer to the holders of any outstanding share options granted by SHNE pursuant to the share option scheme adopted by SHNE on 11 June 2013 (the "**SHNE Options**") to cancel all the SHNE Options (the "**SHNE Option Offer**", together with the Share Offer, the "**Offers**") under Rule 13 of the Takeovers Code.

On 28 January 2025, the Company and SHNE jointly issued a composite document (the "**Composite Document**") in relation to, among others, the Offers.

On 18 February 2025, the Offers were closed at 4:00 p.m. and the Company had received:

(i) 13 valid acceptances in respect of a total of 82,936,512 SHNE Shares under the Share Offer, representing approximately 3.69% of the entire issued share capital of SHNE; and

(ii) no valid acceptance for the SHNE Option Offer.

Immediately after the close of the Offers, the Company and parties acting in concert with it were interested in an aggregate of 1,362,814,764 SHNE Shares, representing approximately 60.66% of the entire issued share capital of SHNE.

Further details of the Offers and the results of the Offers are set out in the joint announcements of the Company and SHNE dated 27 November 2024, 18 December 2024, 27 December 2024, 28 January 2025 and 18 February 2025 and the Composite Document dated 28 January 2025.

Save as disclosed above, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures of the Group during the Reporting Period.

ISSUANCE OF DEBENTURES

On 30 May 2024, Coastal Emerald Limited issued 6.50% guaranteed perpetual securities in an aggregate principal amount of US$900,000,000 to independent third parties to raise funds for refinancing and general corporate purposes.

In August 2024, a subsidiary of SHNE issued 2.24% ultra-short-term financing notes with an aggregate principal amount of RMB500,000,000.

After deduction of the issuance costs, the Group received net consideration of approximately US$892,834,000 and RMB499,630,000 from the issuance of the above bonds, respectively.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, there were 1,992 employees (including the directors of the Group and directors of the Company's subsidiaries), while there were 2,226 employees for the Corresponding Period.

The Group actively attracts outstanding talents and builds a strong team to maintain the overall business growth of the Group. In order to retain and motivate employees, the Group has formulated an internal remuneration policy. When selecting and promoting employees, the Group will make a decision with reference to their qualification, experience and suitability for the position offered. The performance of employees will also be used as the basis for reviewing remuneration package during the annual review. Meanwhile, competitive remuneration packages are offered to employees by reference to the prevailing market level and individual merits.

In addition, the Group also provides employees with a series of welfare policies to enhance their sense of belonging and work enthusiasm, and jointly promote the sustainable development of the Group. In order to motivate employees to work hard, the Group provides bonuses and rewards to outstanding performance employees. The Group determines the working hours of employees in accordance with relevant laws and regulations, and provides transportation reimbursement and compensatory leave for employees who work overtime. In addition, the Group provides employees with social insurance, housing provident fund and mandatory provident fund and other benefits. In addition to statutory holidays and regular paid annual leave, employees are also entitled to additional leave benefits such as sick leave, marriage leave, maternity leave, paternity leave and compassionate leave.

Employees are the essential driving force to the sustainable development of the Group. Adhering to a people-oriented approach to talent management, the Group continues to invest resources to attract and retain talents. Employees are provided with competitive remuneration and benefit packages and equal opportunities, as well as a wide range of training and development opportunities. The Group optimises its human resources management system continuously with a view to providing employees with a friendly and healthy workplace and ensuring that employees can develop their talents and potential.

EVENTS AFTER THE REPORTING PERIOD

Mandatory unconditional cash offer by Huatai Financial Holdings (Hong Kong) Limited for and on behalf of the Company to acquire all the issued SHNE Shares and to cancel all the outstanding SHNE Options (other than those already owned or agreed to be acquired by the Company and parties acting in concert with it)

Upon the Completion of the Acquisition, the Company was required to and had made the Offers during the period from 28 January 2025 to 18 February 2025. Immediately after the close of the Offers, the Company and parties acting in concert with it were interested in an aggregate of 1,362,814,764 SHNE Shares, representing approximately 60.66% of the entire issued share capital of SHNE.

For details of the Acquisition and the Offers, please refer to the section headed "Material Acquisition and Disposal – Acquisition of further equity interest in SHNE" under the section of "Management Discussion and Analysis" in this announcement.

Save as disclosed above and in Note 22 to the financial statements in this announcement, the Group did not have any other significant events after the Reporting Period and up to the date of this announcement.

DIVIDENDS

The Board does not recommend the payment of any dividend for the Reporting Period (Corresponding Period: Nil).

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

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

During the Reporting Period, save for disclosed below, the Company has complied with all the code provisions (the "**Code Provisions**") as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established in accordance with the requirements of the CG Code for the purposes of, among others, reviewing and providing supervision over the Group's financial reporting processes and internal controls. The Audit Committee comprises two non-executive Directors and three independent non-executive Directors. The Group's consolidated results for the year ended 31 December 2024 have been reviewed by the Audit Committee.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Company's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Crowe (HK) CPA 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 the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code for securities transactions by the Directors. Following specific enquiry by the Company, the Directors have confirmed that they have complied with the required standard under the Model Code throughout the Reporting Period.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.sdhg.com.hk). The annual report for the year ended 31 December 2024 will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.sdhg.com.hk) and also be dispatched to the shareholders of the Company in due course.

By order of the Board
Shandong Hi-Speed Holdings Group Limited
Li Tianzhang
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises Mr. Li Tianzhang, Mr. Zhu Jianbiao, Ms. Liao Jianrong, Mr. Liu Zhijie and Mr. Liu Yao as executive Directors; Mr. Liang Zhanhai, Mr. Chen Di and Mr. Wang Wenbo as non-executive Directors; and Mr. Guan Huanfei, Mr. Chan Wai Hei, Mr. Jonathan Jun Yan and Mr. Fang Ying as independent non-executive Directors.