CHINA RENEWABLE ENERGY INVESTMENT LIMITED
中國再生能源投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 987)

(website: www.cre987.com)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the "Board") of China Renewable Energy Investment Limited (the "Company" or "CRE") announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	**2024** **HK$'000**	2023 HK$'000
Revenue	3	**163,065**	181,337
Cost of sales	5	**(130,118)**	(129,192)
Gross profit		**32,947**	52,145
Other income	3	**5,188**	6,012
Other losses	4	**—**	(30,620)
Administrative expenses	5	**(30,537)**	(37,405)
Operating profit/(loss)		**7,598**	(9,868)
Finance income	6	**2,955**	3,916
Finance costs	6	**(14,598)**	(28,081)
Finance costs - net	6	**(11,643)**	(24,165)

	Note	2024 HK$'000	2023 HK$'000
Share of results of associates		**22,158**	57,100
Profit before income tax		**18,113**	23,067
Income tax expense	*7*	**(3,704)**	(4,277)
Profit for the year		**14,409**	18,790
Other comprehensive loss			
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences of the Company and its subsidiaries		**(30,522)**	(29,162)
Currency translation differences of associates		**(23,755)**	(17,858)
Other comprehensive loss for the year, net of tax		**(54,277)**	(47,020)
Total comprehensive loss for the year		**(39,868)**	(28,230)
Profit/(loss) attributable to:			
Equity holders of the Company		**16,475**	23,281
Non-controlling interests		**(2,066)**	(4,491)
		14,409	18,790
Total comprehensive loss attributable to:			
Equity holders of the Company		**(37,960)**	(23,802)
Non-controlling interests		**(1,908)**	(4,428)
		(39,868)	(28,230)
Earnings per share attributable to equity holders of the Company for the year (expressed in HK cents per share)			
Basic and diluted earnings per share	*8*	**0.66**	0.93

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**751,858**	873,421
Construction in progress		**2,124**	364
Right-of-use assets		**11,765**	13,451
Intangible assets		**720**	1,372
Prepayments and other receivables	*10*	**8,598**	17,259
Interests in associates		**759,440**	824,173
Total non-current assets		**1,534,505**	1,730,040
Current assets			
Inventories		**9,131**	11,541
Trade and other receivables	*10*	**355,307**	345,343
Cash and cash equivalents		**232,170**	164,290
Total current assets		**596,608**	521,174
Total assets		**2,131,113**	2,251,214
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**25,062**	25,062
Reserves		**1,806,573**	1,857,064
Equity attributable to equity holders of the Company		**1,831,635**	1,882,126
Non-controlling interests		**(10,053)**	(8,145)
Total equity		**1,821,582**	1,873,981

	Note	2024 HK$'000	2023 HK$'000
LIABILITIES			
Non-current liabilities			
Bank borrowings		**195,261**	244,461
Deferred income tax liabilities		**27,835**	32,669
Total non-current liabilities		**223,096**	277,130
Current liabilities			
Trade and other payables	*11*	**51,268**	55,045
Current portion of bank borrowings		**32,371**	43,339
Current income tax liabilities		**2,796**	1,719
Total current liabilities		**86,435**	100,103
Total liabilities		**309,531**	377,233
Total equity and liabilities		**2,131,113**	2,251,214

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

China Renewable Energy Investment Limited (the "Company" or "CRE") is an exempted company incorporated in the Cayman Islands with limited liability. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively the "Group") are principally engaged in renewable energy business. The Group has operations mainly in the People's Republic of China (the "PRC").

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The intermediate holding company is HKC (Holdings) Limited, a company incorporated in Bermuda. The ultimate holding company is Claudio Holdings Limited, a company incorporated in the British Virgin Islands. The ultimate controlling party is Mr. OEI Kang, Eric, who is also the Chairman, chief executive officer and executive director of the Company.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$ thousand or HK$'000), unless otherwise stated. These consolidated financial statements were approved for issue by the board of directors of the Company (the "Board") on 28 March 2025.

2 BASIS OF PREPARATION

The consolidated financial statements of CRE have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), disclosure requirements of Hong Kong Companies Ordinance and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange. They have been prepared under the historical cost convention.

(a) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to 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 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and 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 and/or on the disclosures set out in these consolidated financial statements.

(b) New standard and amendments to standards have been issued but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted

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

		Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other 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

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual 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 statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3 REVENUE AND OTHER INCOME

The amount of each significant category of revenue and other income recognised during the year is as follows:

	2024	2023
	HK$'000	*HK$'000*
Revenue		
Sales of electricity	**163,065**	181,337
Other income		
Value-added tax refund	**5,079**	5,999
Gain on disposal of property, plant and equipment, net	**14**	—
Others	**95**	13
	5,188	6,012

Sales of electricity were all generated by the wind power plants and a distributed solar project of the Group. The Group has a single reportable segment which is renewable energy segment. As the Group does not have significant material operations outside the PRC, no geographic segment information is presented.

Included in sales of electricity of HK$81.1 million (2023: HK$91.6 million) represents tariff subsidies owed by the state-owned grid companies which are financed by national renewable energy fund to renewable energy projects in the PRC. Tariff subsidy is recognised as sales of electricity and receivables from state-owned grid companies in accordance with the relevant power purchase agreements.

For the year ended 31 December 2024, the Group's revenue for reportable segment from external customers of HK$163.1 million (2023: HK$181.3 million) is only attributable to the China market.

For the year ended 31 December 2024, the Group has three customers with revenue exceeding 10% of the Group's total revenue (2023: three customers). Revenues from the customers amounted to HK$69.2 million, HK$65.5 million and HK$23.7 million (2023: HK$79.1 million, HK$72.1 million and HK$25.2 million) respectively.

4 OTHER LOSSES

The amount of each significant category of other losses recognised during the year is as follows:

	2024	2023
	HK$'000	*HK$'000*
Impairment loss on property, plant and equipment	**—**	(19,793)
Impairment loss on right-of-use assets	**—**	(519)
Impairment loss on intangible assets	**—**	(255)
Impairment loss on interests in an associates	**—**	(10,053)
	—	(30,620)

For the year ended 31 December 2023, the Group has performed impairment assessments on the cash- generating unit ("CGU") in Mudanjiang and Muling wind farms with impairment indicators. Based on the impairment assessment of Mudanjiang and Muling wind farms, impairment losses of HK$19.8 million, HK$0.5 million and HK$0.3 million have been recognised against the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets respectively.

For the year ended 31 December 2023, the Group has performed impairment assessment on investment in an associate in Lunaobao wind farm with impairment indicators. Based on the impairment assessment of Lunaobao wind farm, impairment losses of HK$10.1 million have been recognised against the carrying amount of investment in an associate.

5 EXPENSES BY NATURE

	2024	2023
	HK$'000	*HK$'000*
Auditor's remuneration		
- Audit services	**(791)**	(790)
- Non-audit services	**(120)**	(120)
Amortisation of intangible assets	**(656)**	(685)
Depreciation of property, plant and equipment	**(97,308)**	(101,174)
Depreciation of right-of-use assets	**(1,424)**	(1,398)
Net exchange loss	**(658)**	(5,011)
Employee benefit expenses (including directors' emoluments)	**(27,507)**	(27,871)
Rental expenses relating to short-term leases	**(2,092)**	(1,957)
Repair and maintenance expenses	**(6,799)**	(5,964)
Corporate expenses	**(696)**	(807)
Legal and professional fees	**(634)**	(2,676)
Management service fee	**(2,258)**	(2,483)
Other expenses	**(19,712)**	(15,661)
Total cost of sales and administrative expenses	**(160,655)**	(166,597)

6 FINANCE INCOME AND COSTS

	2024	2023
	HK$'000	*HK$'000*
Finance costs:		
- interest expenses on bank borrowings	**(14,598)**	(20,022)
- interest expenses on amount due to a shareholder	**—**	(8,059)
	(14,598)	(28,081)
Finance income:		
- interest income on bank deposits	**2,955**	3,916
Finance costs – net	**(11,643)**	(24,165)

7 INCOME TAX EXPENSE

	2024	2023
	HK$'000	*HK$'000*
Current income tax	**(4,730)**	(5,843)
Withholding tax on dividends	**(3,162)**	(5,036)
Deferred income tax credit/(expense), net	**3,960**	(1,303)
Refund of withholding tax on dividends paid in prior years	**228**	7,905
Income tax expense	**(3,704)**	(4,277)

Note:

The share of income tax expense of associates of HK$8.8 million (2023: HK$15.4 million) is included in the Group's share of results of associates.

8 EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Profit attributable to equity holders of the Company (HK$ thousand)	**16,475**	23,281
Weighted average number of ordinary shares in issue (thousand)	**2,506,157**	2,506,157
Earnings per share (HK cents per share)	**0.66**	0.93

Basic and fully diluted earnings per share are the same as the Company did not have any dilutive equity instruments throughout the years ended 31 December 2024 and 2023.

9 DIVIDENDS

	2024	2023
	HK$'000	*HK$'000*
Final dividend proposed, of HK0.5 cents (2023: HK0.5 cents) per ordinary share	**12,531**	12,531

On 28 March 2025, the Board has resolved to declare a final dividend of HK0.5 cents per ordinary share payable in cash for the year ended 31 December 2024. As the proposed final dividend is declared after the reporting date, such dividend is not recognised as liability as at 31 December 2024.

On 20 August 2024, the Board has resolved not to declare any interim dividend for the six months ended 30 June 2024.

For the year ended 31 December 2023, the Board has resolved to declare a final dividend of HK0.5 cents per ordinary share payable in cash, total of HK$12.5 million was paid in June 2024.

On 30 August 2023, the Board has resolved not to declare any interim dividend for the six months ended 30 June 2023.

10 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

		2024	2023
	Note	*HK$'000*	*HK$'000*
Non-current			
Other receivables	(b)	**8,598**	17,259
Current			
Trade receivables	(a)	**322,330**	289,572
Prepayments and other receivables	(b)	**32,977**	55,771
		355,307	345,343
		363,905	362,602

Notes:

(a) The ageing analysis of trade receivables based on the Group's revenue recognition policy at year end was as follows:

	2024	2023
	HK$'000	*HK$'000*
Less than 30 days	**35,272**	28,830
More than 30 days and within 60 days	**8,841**	7,778
More than 60 days and within 90 days	**6,302**	5,366
More than 90 days	**271,915**	247,598
	322,330	289,572

The ageing analysis of trade receivables by invoice date at year end was as follows: *(Note)*

	2024	2023
	HK$'000	*HK$'000*
Less than 30 days	**312,598**	279,740
More than 30 days and within 60 days	**—**	—
More than 60 days and within 90 days	**—**	—
More than 90 days	**9,732**	9,832
	322,330	289,572

Note:

The Group allows a credit period of 30 days to its trade customers from invoice date. The Group does not hold any collateral in relation to these receivables. Receivables (other than the tariff subsidy receivables) from sales of electricity are usually settled on a monthly basis by the state-owned grid companies.

Included in the Group's trade receivables were tariff subsidy receivables of HK$308.1 million (2023: HK$281.3 million) which represented the government subsidies on renewable energy projects to be received from the stated-owned grid companies. The tariff subsidy receivables will be settled upon the Ministry of Finance ("MoF")'s allocation of the national renewable energy fund to the state-owned grid companies. The MoF does not set out a rigid timetable for the settlement of tariff subsidy receivables. In the opinion of the directors, given the collection of tariff subsidy receivables is well supported by the government policy, all tariff subsidy receivables were expected to be fully recoverable. As the collection of tariff subsidy receivables is expected in the normal operating cycle, they are classified as current assets.

Tariff subsidy receivables of HK$298.4 million (2023: HK$271.5 million) was unbilled and has been classified under 'less than 30 days' in the above ageing analysis, while the remaining of HK$9.7 million (2023: HK$9.8 million) has issued invoices.

(b) Included in current and non-current other receivables were input value-added taxation recoverable of HK$19.4 million (2023: HK$28.3 million) arising from purchase of property, plant and equipment, and dividend receivables from associates of HK$14.5 million (2023: HK$36.6 million).

(c) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

11 TRADE AND OTHER PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**481**	506
Payables for acquisition and construction of property, plant and equipment	**43,114**	46,733
Other payables and accruals	**7,673**	7,806
	51,268	55,045

The ageing analysis of trade payables by invoice date at year end was as follows:

	2024	2023
	HK$'000	*HK$'000*
Less than 12 months	**481**	493
12 months and more	**—**	13
	481	506

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2024, China Renewable Energy Investment Limited ("CRE" or the "Company", and with its subsidiaries, collectively, the "Group") recorded HK$163.1 million in turnover. Unexpected poor wind conditions in 2024 led to a 10% decrease in revenue during the year as compared to last year's HK$181.3 million. Gross profit for the year decreased 37% to HK$32.9 million (2023: HK$52.1 million). Finance costs have been reduced as the Group has paid back loans without incurring additional capital expenditures, dropping from HK$24.2 million in 2023 to HK$11.6 million in 2024.

For the Group's associate company wind farms, wind resources were also poor during 2024. As a result, net profit from the associates decreased 61% to HK$22.2 million as compared to last year's HK$57.1 million.

Overall, the Group's net profit after tax attributable to the equity holders of the Group for the year ended 31 December 2024 declined 29% to HK$16.5 million or earnings per share of HK0.66 cents. For the same period in 2023, net profit after tax attributable to the equity holders of the Group was HK$23.3 million or earnings per share of HK0.93 cents.

Liquidity and Financial Resources

As at 31 December 2024, the Group's total bank borrowings was reduced to HK$227.6 million as compared to HK$287.8 million in 2023. The difference was mainly due to the repayment of principal for existing project loans.

The bank borrowings include project loans and corporate bank loan facilities. Project loans were interest-bearing RMB bank loans used to finance the Group's wind farm projects in the People's Republic of China ("China"), with interest rates based on the People's Bank of China rates or Loan Prime Rate. The maturity dates for the Group's outstanding bank borrowings were as follows: HK$32.4 million is repayable within one year, HK$130.0 million repayable within two to five years and HK$65.2 million repayable after five years.

As at 31 December 2024, bank deposits and cash of the Group was HK$232.2 million as compared to HK$164.3 million in 2023. The difference was mainly related to the combined effect of dividend received from associates, repayment of principal for existing project loans and payment of 2023 final dividend.

The Group did not use any financial instruments for financial hedging purposes during the period under review.

Details of Charges in Group Assets

The Group's subsidiary has charged its assets including wind power equipment, related right-of-use assets and trade receivables, with a carrying value of approximately RMB460.6 million (equivalent to HK$488.7 million) as security for the bank borrowings as at 31 December 2024. Such assets, with a carrying value of approximately RMB720.4 million (equivalent to HK$789.4 million), were charged as at 31 December 2023.

Gearing Ratio

As at 31 December 2024, the Group's net gearing ratio, defined as the total borrowings plus the amount due to a shareholder, less bank deposits and cash, divided by total equity, was 0% as compared to 7% as at 31 December 2023.

Contingent Liabilities

The Group did not have any contingent liabilities as at 31 December 2024 (2023: Nil).

BUSINESS REVIEW

China's economy continued to rebound from nearly three years of stringent "zero Covid" pandemic control measures. GDP rose 5%. With an improved economy and increasing electrification across different industries, demand for electric power has increased. The car industry, in particular, is showing strong usage of electricity as consumers are increasingly purchasing electric vehicles. Total power consumption in China increased 6.8% as compared to 2023, reaching 9,852,000 Giga-Watt-hours ("GWh") in 2024.

Reflecting the government's goal to increase renewable energy, China's wind and solar power generation capacity increased even more strongly, rising 18.0% and 45.0% respectively to an aggregate total of 548 Giga-Watt ("GW") and 854 GW respectively. Total wind power output was 991,600 GWh, an increase of around 16.0% compared to 2023, accounting for 11% of total power generation across the country. Total solar power output was 834,100 GWh, an increase of around 44.0% compared to 2023, accounting for 9% of total power generation across the country.

As at 31 December 2024, the Group has eight wind farms and one distributed solar project under operation. Total gross power generating capacity is 738 MW and net power generating capacity is 427MW.

The wind conditions in the areas that the Company operates in Gansu, Hebei, Henan and Inner Mongolia provinces were lower in 2024 compared to 2023. Total power dispatch of the Company's wind farms in 2024 reached 1,323.1 GWh or 1,803 utilization hours, a decrease of 7% compared to 1,423.8 GWh or 1,940 utilization hours in 2023.

Mudanjiang and Muling Wind Farms

Mudanjiang and Muling wind farms, located in Heilongjiang province, have a total of 59.5 MW of wind power capacity. The wind farms started commercial operation in the fourth quarter of 2007. The Group holds majority stakes of 86% and 86.7% respectively. During 2024, wind resources were worse than last year and curtailment was higher. Mudanjiang and Muling wind farms dispatched power of approximately 49.4 GWh, which was equivalent to 830 utilization hours, 7.5% lower than last year's power dispatch of 53.4 GWh (equivalent to 897 utilization hours).

Siziwang Qi Phase I & II Wind Farms

Siziwang Qi Phase I & II wind farms have a total of 99 MW of wind power capacity and are wholly-owned by the Group. They are located 16 kilometres north of Wulanhua under Siziwang Qi of Western Inner Mongolia. Commercial operation of Phase I and II started in January 2011 and January 2015 respectively. During 2024, wind resources were worse than last year, even though curtailment decreased. Siziwang Qi Phase I and II wind farms dispatched power of approximately 193.2 GWh, which was equivalent to 1,951 utilization hours, 8.1% lower than last year's power dispatch of 210.3 GWh (equivalent to 2,124 utilization hours).

Danjinghe Wind Farm

The Group has a 40% effective equity interest in the 200 MW Danjinghe wind farm located in Hebei. The majority and controlling shareholder is the wind power division of China Energy Conservation and Environmental Protection Group ("CECEP"), which holds 60%. The entire wind farm commenced commercial operation in September 2010. As this project was obtained through the national tendering process, the wind farm enjoyed minimal curtailment. During 2024, wind resources were worse than last year. Danjinghe project dispatched power of approximately 356.7 GWh, which was equivalent to 1,784 utilization hours, 11.6% lower than last year's power dispatch of 403.7 GWh (equivalent to 2,018 utilization hours).

Changma Wind Farm

Changma wind farm, located in Gansu province, is a joint venture with CECEP. The Group has a 40% effective interest in the project company. The 201 MW wind farm started commercial operation in November 2010. As this project was also obtained through the national tendering process, the wind farm enjoyed minimal curtailment. During 2024, wind resources were worse than last year. Changma project dispatched power of approximately 403.8 GWh, which was equivalent to 2,009 utilization hours, 13.5% lower than last year's power dispatch of 466.7 GWh (equivalent to 2,322 utilization hours).

Lunaobao Wind Farm

Lunaobao wind farm is a joint venture with CECEP and is adjacent to the Danjinghe wind farm. The Group has a 30% effective equity interest. The wind farm capacity is 100.5 MW and started commercial operation in February 2011. Unlike Danjinghe, Lunaobao was not obtained through the national tendering process, hence it does not enjoy low curtailment. Although wind resources in 2024 were less than 2023, curtailment was reduced due to the construction of a new transmission line at the end of 2023. As a result, Lunaobao dispatched power of approximately 200.2 GWh, which was equivalent to 1,992 utilization hours, 30.0% higher than last year's power dispatch of 154.0 GWh (equivalent to 1,532 utilization hours).

Songxian Wind Farm

Songxian wind farm, located in Songxian of Luoyang city in Henan province, has a total of 74 MW wind power capacity and is wholly-owned by the Group. The first 36 MW wind power capacity commenced commercial operation in February 2019, and the entire 74 MW started full operation from May 2020. During 2024, wind resources were worse than last year. Songxian project dispatched power of approximately 119.8 GWh, which was equivalent to 1,619 utilization hours, 11.8% lower than last year's power dispatch of 135.8 GWh (equivalent to 1,836 utilization hours). Power dispatch was impacted by unusually cold weather which resulted in the collapse of one wind tower and the freezing of some wind turbines, an unusual circumstance which is not expected to occur again.

Nanxun Distributed Solar Project

Nanxun distributed solar project is located in Nanxun district of Huzhou city in Zhejiang province, and is the Group's first wholly-owned distributed rooftop solar project. The 4 Mega-Watt-peak ("MWp") distributed solar project was installed over 60,000 square meters of rooftops on Nanxun International Building Materials City, a commercial complex owned by CRE's parent company, HKC (Holdings) Limited. Power generated is sold to Nanxun International Building Materials City and any excess power is sold to the local grid company. The project commenced commercial operation in March 2018. The power dispatched in 2024 was approximately 4.5 GWh, which was equivalent to 1,129 utilization hours. The performance was 2.2% lower than last year's power dispatch of 4.6 GWh (equivalent to 1,154 utilization hours).

BUSINESS MODEL & RISK MANAGEMENT

CRE's main business is acting as an investor-operator in China's renewable energy sector, in which we secure, develop, construct and operate power stations in order to provide reliable electricity to customers. As one of the main external investors in China's renewable energy sector, the Group is well positioned to contribute to the government's plan for a low-carbon economy.

Our Group strategy **"Grow Advance Sustain"** guides our operations and development going forward. All investment opportunities are thoroughly evaluated by the Executive Committee and the Board based on a combination of project economic, environmental and social benefits. We plan to continue to develop renewable energy projects and look for **growth** investment opportunities. In CRE, every kilo-Watt-hour ("kWh") energy output counts. We therefore strive to innovate and **advance** in all aspects of our business and operations to continuously enhance our profitability with an ultimate goal to create **sustainable** value and to increase return for shareholders.

Risk management is the responsibility of everyone within the Group; risk is inherent in our business and the market in which it operates. Rather than being a standalone process, risk management is integrated into our daily business process, from project level day-to-day operation to corporate level strategy development and investment decisions.

Through a bottom-up approach, we identify and review existing and emerging risks semi-annually. Identified risks are then monitored and discussed at the Group level. The risk management process is overseen by the Executive Committee and the Board as an element of our strong corporate governance. Within CRE, all risks factors are classified under 6 different categories, (i) Policy and Regulations, (ii) Legal and Compliance, (iii) Safety, Health and Environmental, (iv) Financial, (v) Operational and (vi) Reputational; and are evaluated through assessing their consequences and likelihood. With a continuous and proactive approach to risk management, the Group is committed to identifying material risks and then to managing these so that they can be understood, minimised, mitigated or avoided.

OUTLOOK

The outlook for China's economy is positive for 2025. At the recent NPC meeting, the government committed to maintaining a 5% GDP growth rate and will increase its budget deficit to 4% in order to provide the stimulus for that growth. The government's main priority is to boost domestic consumption. To do this, it is issuing ultra-long treasury bonds to finance consumer goods trade-in programs. The government is also emphasizing technological self-reliance and the use of AI in smart manufacturing, new-energy vehicles and robots. It also is proposing to boost the property industry so that consumer confidence can be stabilized. These measures should result in strong power demand for 2025.

While wind resources were disappointing in 2024, the second half of the year was not as poor as the first half and the first couple of months of 2025 were significantly better. For January and February 2025, wind speed has increased 11% year on year. As a result, the electricity generated has increased 37% year on year, and 15% compared to the same period in 2023.

The government is asking local governments to shift new wind power projects to a more market-based pricing system by the end of 2025 rather than the current administratively set prices that are based on benchmarks for coal-fired power. The reason is that the cost of building new wind farms has dropped significantly over the last several years and the government no longer needs to build renewable energy at the same pace as in previous years. The NDRC states that China's clean energy capacity has already reached more than 40% of the economy's total energy generation capacity.

However, this new policy is creating uncertainty over future pricing. The loss of guaranteed demand at fixed prices will create risk for wind power developers. Recognizing this uncertainty, the government states that there will be a contract-for-difference (CFD) tariff mechanism for new wind power projects, similar to the UK's "contract for difference" mechanism. However, the exact level of tariff support has not been announced for the areas where CRE is operating.

The Group has decided to pause its development of new wind farms until there is more clarity on the prices for tariffs and the amount of demand for a project's wind power. However, the Group is continuing to explore the re-powering of some of its wind farm projects whose operating contracts are expected to end. The Group's wind farm in Heilongjiang is the Group's first wind farm. This wind farm is approaching the end of its operating contract. CRE is looking to replace the old 0.85 MW wind turbines with new 6.66 MW turbines, replacing the 70 units with just 9. To reduce the amount of turbulence impacted by trees at the location, CRE is looking to increase the height of the wind towers to 140 meters compared to the current 65 meters. This will result in higher wind speeds. We are currently asking for quotations from several turbine manufacturers.

With a net gearing ratio of 0%, the Group has one of the strongest balance sheets in the industry. Whereas other SOE developers have borrowed heavily, have weaker balance sheets, and face the stress of weaker cash flows given curtailment, lower tariffs, and high accounts receivables, CRE's cash flow is strong and the Group is well positioned to take advantage of opportunities.

Employees

As at the end of December 2024, the Group's operations in Hong Kong and Mainland China employed a total of 93 employees. Our core requirement is to ensure that we attract, retain and deploy employees with the capabilities needed to secure, develop, construct and operate our assets. In 2024, we have strengthened our resources and capabilities through a combination of external recruitment and internal transfers of staff. These have enabled us to enhance performance through common standards and processes in safety, project management and asset management. The Group has also appointed technical consultants on contract terms when deemed necessary for the development of new projects and for operation of existing projects. All employees are remunerated according to the nature of their jobs, their individual performances, the Group's overall performance, and the prevailing marketing conditions.

Environmental, Social and Governance Issues

As one of the earliest investors in China's renewable energy sector since 2006, the Group has been heavily involved in environmental protection and support for the low carbon development of China. CRE strives to continuously improve and evolve in the renewable energy sector to adapt to the changing expectations of our stakeholders while balancing the needs of our shareholders, environment and the communities we operate in.

The Group has 738 MW of operating wind farms and a distributed solar project in Gansu, Hebei, Heilongjiang, Henan, Inner Mongolia and Zhejiang provinces. Most of our projects are located in remote northern regions. They greatly benefit the economic development of the local areas through investment, by reducing local pollution and carbon emissions, and by contributing to the local community through the hiring of local staff who are given fair market-based remuneration packages. In 2024, CRE's operating assets complied with all local environmental related regulatory requirements. With a total electricity generation of 1,327.6 GWh, we have reduced approximately 430,000 tons of coal consumption and 1,028,000 tons of carbon emission.

We place importance on creating positive relationships with stakeholders through understanding and addressing their expectations. As one of the main foreign investors in China's renewable energy industry, we continue to maintain close contacts with our stakeholders, including but not limited to the Government (e.g. the NDRC and NEA at both national and provincial level), local authorities (e.g. environmental and land bureau) and State Grid Corporation through various meetings to facilitate their understanding of our business, operations and development direction.

The Group will continue to support the goal to decrease carbon emissions by investing in various renewable energy projects. At the same time, we will explore other means to further contribute to the communities we operate in as the Group grows larger and more profitable.

RECORD DATE FOR 2025 AGM

The record date for determining the entitlement of shareholders of the Company ("Shareholders") to attend and vote at the forthcoming annual general meeting of the Company which will be held on Wednesday, 4 June 2025 ("2025 AGM") is Thursday, 29 May 2025 after close of business. In order to be eligible to attend and vote at the 2025 AGM, Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with the Company's branch share registrar and transfer agent in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong ("Computershare"), no later than 4:30 p.m. on Thursday, 29 May 2025.

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK0.5 cents (2023: HK0.5 cents) per ordinary share for the year ended 31 December 2024 to Shareholders whose names appear on the register of members of the Company on Tuesday, 17 June 2025. Subject to the approval of Shareholders at the 2025 AGM, the final dividend will be paid on Wednesday, 25 June 2025.

CLOSURE OF REGISTER OF MEMBERS

The record date for the proposed final dividend is Tuesday, 17 June 2025. The Company's register of members will be closed from Monday, 16 June 2025 to Tuesday, 17 June 2025 (both days inclusive) in order to determine entitlements to the proposed final dividend. During such period, no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with Computershare for registration no later than 4:30 p.m. on Friday, 13 June 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company has complied with the code provisions (the "Code Provisions") and certain recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31 December 2024, except for the following:

Code Provision C.2.1

According to the Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer ("CEO") should be separate and performed by different individuals. Under the current organisation structure of the Company, the functions of CEO are performed by the chairman of the Company, Mr. OEI Kang, Eric, with support from other executive directors of the Company (the "Director(s)"). The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company, and has been effective in discharging its responsibilities satisfactorily and facilitating the Company's operation and business development. The Board will review the structure from time to time to ensure it continues to meet the principle and will consider segregation of the roles of Chairman and CEO if and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "Model Code") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries, the Company has obtained confirmation from all Directors that they have complied with the required standards set out in the Model Code during the year ended 31 December 2024.

The Company has also adopted a code for dealing in the Company's securities by relevant employees, who are likely to be in possession of unpublished inside information in relation to the securities of the Group, on no less exacting terms than the Model Code.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference which have been updated from time to time to align with the Code Provisions set out in the CG Code. The Audit Committee comprises three members namely Mr. CHENG Yuk Wo, Mr. TIAN Yuchuan and Mr. ZHANG Songyi. The Audit Committee, chaired by an Independent Non-executive Director, is composed of all Independent Non-executive Directors. The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2024.

SCOPE OF WORK OF MOORE CPA LIMITED ON THIS PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Moore CPA Limited to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Moore CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.cre987.com) and the Stock Exchange (www.hkexnews.hk). The 2024 annual report containing all the information required by the Listing Rules will be published on the above websites in due course and will be dispatched to Shareholders (upon requested).

By order of the Board
China Renewable Energy Investment Limited
OEI Kang, Eric
Chairman and Chief Executive Officer

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises seven directors, of which Mr. OEI Kang, Eric, Mrs. OEI Valonia Lau, Mr. WONG Jake Leong, Sammy and Mr. LEE Shiu Yee, Daniel, are executive directors; and Mr. CHENG Yuk Wo, Mr. TIAN Yuchuan and Mr. ZHANG Songyi are independent non-executive directors.