XINYI ENERGY HOLDINGS LIMITED

信義能源控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 03868)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2023	2022	Change
	HK$'million	*HK$'million*	
Revenue	**2,517.4**	2,315.3	+8.7%
Profit attributable to the equity holders of the Company	**993.0**	971.5	+2.2%
Earnings per share – basic and diluted[(1)]	**12.56 HK cents**	13.30 HK cents	-5.6%
Dividends	**493.8**	1,167.6	-57.7%
Proposed final dividend per share	**2.6 HK cents**	7.4 HK cents	-64.9%

Note:

(1) Basic and diluted earnings per share for the year ended 31 December 2022 has been restated to take into account of the effects of the rights issue of the Company completed in June 2023.

The board (the "**Board**") of directors (the "**Directors**") of Xinyi Energy Holdings Limited (the "**Company**" or "**Xinyi Energy**", together with its subsidiaries, the "**Group**") announces the audited consolidated results of the Group for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER

	Note	**2023**	2022
		HK$'000	*HK$'000*
Revenue	3	**2,517,374**	2,315,275
Cost of sales	5	**(808,202)**	(681,048)
Gross profit		**1,709,172**	1,634,227
Other income	3	**12,936**	29,202
Other losses, net	4	**(4,898)**	(18,988)
Administrative expenses	5	**(56,506)**	(71,677)
Net impairment losses on financial assets		**(7,560)**	(31,793)
Operating profit		**1,653,144**	1,540,971
Finance income	6	**6,712**	1,594
Finance costs	6	**(361,728)**	(270,343)
Profit before income tax		**1,298,128**	1,272,222
Income tax expense	7	**(303,427)**	(298,251)
Profit for the year		**994,701**	973,971
Profit for the year attributable to:			
– Equity holders of the Company		**992,987**	971,451
– Non-controlling interests		**1,714**	2,520
		994,701	973,971
Earnings per share attributable to the equity holders of the Company			(Restated)
(Expressed in HK cents per share)			
– Basic	8	**12.56**	13.30
– Diluted	8	**12.56**	13.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER

	2023	2022
	HK$'000	*HK$'000*
Profit for the year	**994,701**	973,971
Other comprehensive loss for the year, net of tax:		
Item that may be reclassified to profit or loss		
– Exchange differences arising on translation to presentation currency	**(327,797)**	(1,696,509)
Total comprehensive income/(loss) for the year	**666,904**	(722,538)
Total comprehensive income/(loss) for the year attributable to:		
– Equity holders of the Company	**665,484**	(723,778)
– Non-controlling interests	**1,420**	1,240
	666,904	(722,538)

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER

	Note	2023 *HK$'000*	2022 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**15,007,874**	13,573,134
Right-of-use assets		**740,872**	687,618
Prepayments for property, plant and equipment	10	**13,537**	55,242
Deferred income tax assets		**58,597**	51,274
Goodwill		**342,228**	372,892
Total non-current assets		**16,163,108**	14,740,160
Current assets			
Trade and other receivables and prepayments	10	**4,312,559**	3,407,567
Amounts due from fellow subsidiaries		**998**	1,386
Restricted cash		**11,889**	—
Cash and cash equivalents		**645,009**	1,790,767
Total current assets		**4,970,455**	5,199,720
Total assets		**21,133,563**	19,939,880
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		**82,566**	74,404
Other reserves		**6,762,895**	6,073,045
Retained earnings		**6,451,345**	5,605,611
		13,296,806	11,753,060
Non-controlling interests		**10,512**	9,092
Total equity		**13,307,318**	11,762,152

	Note	**2023**	2022
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings	12	**2,633,905**	2,061,311
Lease liabilities		**718,901**	662,129
Other payables	11	**15,703**	57,027
Deferred income tax liabilities		**284,266**	298,667
Total non-current liabilities		**3,652,775**	3,079,134
Current liabilities			
Bank borrowings	12	**3,636,561**	2,892,469
Lease liabilities		**47,762**	34,042
Accruals and other payables	11	**404,564**	679,029
Amount due to immediate holding company		**—**	1,388,244
Amounts due to fellow subsidiaries		**34,983**	52,098
Current income tax liabilities		**49,600**	52,712
Total current liabilities		**4,173,470**	5,098,594
Total liabilities		**7,826,245**	8,177,728
Total equity and liabilities		**21,133,563**	19,939,880

NOTES:

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss ("**FVPL**") or other comprehensive income ("**FVOCI**").

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) New standard and amendments to standards adopted by the Group

The Group has applied the following new standard and amendments to standards for its annual reporting period commencing 1 January 2023:

HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	International Tax Reform – Pillar Two Model Rules
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKFRS 17	Insurance Contracts
HKFRS 17 (Amendments)	Amendments to HKFRS 17
HKFRS 17 (Amendments)	Comparative Information – Initial Application of HKFRS 17 and HKFRS 9

The new standard and amendments to standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Amendments to standards and interpretation not yet adopted

Certain amendments to standards and interpretation have been published that are not mandatory for the accounting period beginning on 1 January 2023 and have not been early adopted.

		Effective for accounting periods beginning on or after
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendments)	Non-current Liabilities with Covenants	1 January 2024
Hong Kong Interpretation 5 (Revised)	Hong Kong Interpretation (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January 2024
HKAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

These amendments to standards and interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 REVENUE, OTHER INCOME AND SEGMENT INFORMATION

Revenue and other income recognised during the year are as follows:

	2023	2022
	HK$'000	*HK$'000*
Revenue		
Recognised at a point in time:		
– Sales of electricity	**1,419,092**	1,279,205
– Tariff adjustment	**1,088,101**	1,249,975
	2,507,193	2,529,180
Less: Deduction of tariff adjustment *(Note (a))*	**—**	(223,831)
	2,507,193	2,305,349
Recognised over time:		
– Solar farm operation and management services	**10,181**	9,926
	2,517,374	2,315,275
Other income		
Government grants *(Note (b))*	**3,636**	17,313
Compensation of insurance claims	**2,179**	4,412
Others	**7,121**	7,477
	12,936	29,202

Notes:

(a) Pursuant to "Notice on the Explanation of Policies Concerning the Verification and Validation of Renewable Energy Power Generation Subsidies" (the "**2022 October Notice**") issued on 8 October 2022, some solar farm projects of the Group may be subject to possible deduction of revenue recognised from tariff adjustment in accordance with the requirements and conditions for the entitlement of the tariff adjustment as set out in the 2022 October Notice. During the year ended 31 December 2022, the Group performed a reassessment on the estimation of revenue recognised from tariff adjustment as required by the prevailing rules and regulations and recognised the amount of deduction of approximately HK$223,831,000 as a reduction of revenue on a cumulative basis. During the year ended 31 December 2023, there is no significant update on relevant rules and regulations and no deduction adjustment was considered necessary.

(b) Government grants mainly represent grants received from the government of the People's Republic of China (the "**PRC**") in subsidising the Group's general operations.

Segment information

The Group is mainly engaged in the operation and management of solar farms in the PRC. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available.

No segment of assets and liabilities are presented as no discrete financial information is available.

Majority of the non-current assets of the Group are located in the PRC and with country of domicile being the PRC.

Revenue from major customers which are state-owned grid enterprises for the year is set out below:

	2023	2022
	HK$'000	*HK$'000*
Customer A	**553,524**	498,958
Customer B	**258,070**	N/A
Customer C	**N/A**	241,320
Customer D	**N/A**	238,670

Note:

The revenue from Customer C and D for the year ended 31 December 2023 did not exceed 10% of the total revenue of the Group for the year ended 31 December 2023. The revenue from Customer B for the year ended 31 December 2022 did not exceed 10% of the total revenue of the Group for the year ended 31 December 2022.

4 OTHER LOSSES, NET

	2023	2022
	HK$'000	*HK$'000*
Foreign exchange gains, net	**3,965**	151
Loss on disposal of property, plant and equipment	**(61)**	(156)
Net fair value gains on financial assets at FVPL	**14,977**	14,104
Impairment loss of goodwill	**(23,779)**	(33,087)
	(4,898)	(18,988)

5 EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed as follows:

	2023	2022
	HK$'000	*HK$'000*
Depreciation charge of property, plant and equipment	**633,586**	569,096
Depreciation charge of right-of-use assets	**33,508**	30,310
Employee benefit expenses (including directors' emoluments)	**66,450**	59,552
Electricity	**27,117**	16,554
Auditor's remuneration – Audit services	**1,697**	1,621
Legal and professional fees	**4,798**	4,110
Insurance expenses	**7,339**	11,413
Repair and maintenance	**32,670**	15,607
Other expenses	**57,543**	44,462
	864,708	752,725

6 FINANCE INCOME AND COSTS

	2023	2022
	HK$'000	*HK$'000*
Finance income		
Interest income from bank deposits	**6,712**	1,594
Finance costs		
Interest on lease liabilities	**45,683**	43,326
Interest expense on bank borrowings	**295,267**	120,848
Interest expense on deferred payment of business combination purchases consideration	**20,778**	106,169
	361,728	270,343

7 INCOME TAX EXPENSE

	2023	2022
	HK$'000	*HK$'000*
Current income tax	**320,775**	338,856
Deferred income tax	**(17,348)**	(40,605)
	303,427	298,251

Notes:

(a) The Company was incorporated in the British Virgin Islands and is exempted from payment of the British Virgin Islands income tax.

(b) No provision for Hong Kong profits tax has been made for the year as the Group did not generate any assessable profits arising in Hong Kong during the year.

(c) The applicable corporate income tax ("**CIT**") rate for the Group's subsidiaries in the PRC is 25% (2022: 25%) except that:

- A subsidiary engaging in operation and management of solar farms in Anhui Province is qualified as a "High and New Technology Enterprise" and would be entitled to enjoy a preferential CIT rate of 15% (2022: 15%);

- A subsidiary engaging in development of operation and management systems in Guangxi Zhuang Autonomous Region is qualified as an "Encouraged Enterprise" in the Catalogue of Industries Encouraged for Foreign Investment in Central and Western Region and would be entitled to enjoy a preferential CIT rate of 9% (2022: 9%); and

- Subsidiaries engaging in the solar farms business enjoyed tax holiday and their profits are fully exempted from the CIT for three years starting from its first year of revenue generation, followed by 50% reduction in CIT in next three years. However, their government grants and compensation of insurance claims received are subject to the CIT rate of 25% (2022: 25%).

8 EARNINGS PER SHARE

(a) Basic

Basic 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 and adjusted for bonus elements in ordinary shares issued as a result of the rights issue completed in June 2023.

	2023	2022 (Restated)
Profit attributable to equity holders of the Company (HK$'000)	**992,987**	971,451
Weighted average number of ordinary shares in issue (thousands)	**7,906,257**	7,306,299
Basic earnings per share (HK cents)	**12.56**	13.30

(b) Diluted

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

For the years ended 31 December 2023 and 2022, the Company has one category of potentially dilutive shares, share options. The calculation for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

	2023	2022
		(Restated)
Profit attributable to equity holders of the Company (HK$'000)	**992,987**	971,451
Weighted average number of ordinary shares in issue (thousands)	**7,906,257**	7,306,299
Adjustment for share options (thousands)	**—**	489
	7,906,257	7,306,788
Diluted earnings per share (HK cents)	**12.56**	13.30

Basic earnings per share and diluted earnings per share for the year ended 31 December 2022 have been restated to take into account the effects of the rights issue of the Company completed in June 2023.

9 DIVIDENDS

	2023	2022
	HK$'000	*HK$'000*
Interim dividend of 3.4 HK cents (2022: 7.7 HK cents) per share *(Note (a))*	**279,109**	561,977
Proposed final dividend of 2.6 HK cents (2022: final dividend of 7.4 HK cents) per share *(Note (b))*	**214,671**	605,649

Notes:

(a) An interim dividend of 3.4 HK cents per share (2022: 7.7 HK cents per share) was partially paid in cash and partially settled by the issuance of 47,487,194 shares (2022: 142,001,784 shares) in respect of scrip dividend to shareholders for whose names appeared on the register of members of the Company on 17 August 2023 (2022: 18 August 2022).

(b) A final dividend in respect of the year ended 31 December 2023 of 2.6 HK cents per share (2022: 7.4 HK cents per share), amounting to a total dividend of HK$214,671,000 (2022: HK$605,649,000), is to be proposed at the forthcoming annual general meeting. The amount of 2023 proposed final dividend is based on 8,256,588,652 shares in issue as at 31 December 2023. These consolidated financial statements do not reflect this proposed dividend payable for the year ended 31 December 2023. The amount of 2022 final dividend represented an aggregated dividend partially paid in cash and partially settled by the issuance of 24,656,176 shares based on 8,184,443,280 shares in issue as at the record date for the dividend entitlement, including 744,040,025 shares in issue for rights issue.

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2023	2022
	HK$'000	*HK$'000*
Trade receivables *(Note (a))*	**3,951,848**	3,252,090
Less: Loss allowance for trade receivables *(Note (b))*	**(39,518)**	(32,521)
Trade receivables, net	**3,912,330**	3,219,569
Bills receivables *(Note (a))*	**—**	5,029
Trade and bills receivables	**3,912,330**	3,224,598
Deposits and other receivables *(Note (c))*	**57,942**	49,102
Other tax receivables *(Note (d))*	**326,009**	122,454
Prepayments for property, plant and equipment	**13,537**	55,242
Other prepayments	**16,278**	11,413
	4,326,096	3,462,809
Less: Non-current portion		
Prepayments for property, plant and equipment	**(13,537)**	(55,242)
Current portion	**4,312,559**	3,407,567

Notes:

(a) Trade and bills receivables

As at 31 December 2023, trade receivables comprised receivables from sales of electricity and tariff adjustment receivables. The category analysis of trade receivables is set out below:

	2023	2022
	HK$'000	*HK$'000*
Receivables from sales of electricity	**198,549**	125,351
Tariff adjustment receivables	**3,753,299**	3,126,739
	3,951,848	3,252,090

Receivables from sales of electricity were usually settled on a monthly basis by the state-owned grid enterprises. Tariff adjustment receivables represent government subsidies on renewable energy to be received from the state-owned grid enterprises in accordance with prevailing government policies and prevalent payment pattern of the Ministry of Finance.

During the year ended 31 December 2023, the Group received aggregate payment of RMB485,077,000 (equivalent to approximately HK$526,650,000) (2022: RMB1,875,828,000 (equivalent to approximately HK$2,108,870,000)) for the subsidies in relation to the solar power generation by the solar farm projects enlisted on the Renewable Energy Power Generation Project List. The Ministry of Finance does not set out a rigid timetable for the settlement of tariff adjustment receivables. However, given the collection of tariff adjustment receivables is well supported by the government policy, the collection of tariff adjustment receivables is expected in the normal operating cycle, and they are classified as current assets.

The ageing analysis of trade receivables based on the Group's revenue recognition policy is as follows:

	2023	2022
	HK$'000	*HK$'000*
0 to 90 days	**384,712**	388,566
91 days to 180 days	**371,377**	396,410
181 days to 365 days	**614,735**	638,728
Over 365 days	**2,581,024**	1,828,386
	3,951,848	3,252,090

As at 31 December 2022, the maturity of the bills receivables was within one year.

The carrying amounts of the Group's trade and bills receivables are denominated in RMB.

(b) Loss allowance for trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivable.

Loss allowance for trade receivables of HK$39,518,000 was made by the Group during the current reporting period (2022: HK$32,521,000).

(c) Deposits and other receivables

Deposits and other receivables are all expected to be recoverable and therefore no provision was made. The ageing of deposits and other receivables was within one year. The carrying amounts of the Group's deposits and other receivables are mainly denominated in RMB.

(d) Other tax receivables

Other tax receivables mainly represent value added tax ("**VAT**") recoverable, which is creditable input VAT on purchase of property, plant and equipment (including construction in progress). They will be offset against output VAT on sales of solar electricity and tariff adjustment. The balance is denominated in RMB.

(e) The carrying amounts of trade and other receivables approximate their fair values.

(f) The other classes within trade and other receivables do not contain impaired assets.

11 ACCRUALS AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Payables for property, plant and equipment	**385,617**	696,311
Others *(Note (b))*	**34,650**	39,745
	420,267	736,056
Less: Non-current portion		
Retention payables for property, plant and equipment	**(15,703)**	(57,027)
Current portion	**404,564**	679,029

Notes:

(a) The carrying amounts of accruals and other payables are mainly denominated in RMB and approximate their fair values.

(b) The balance mainly comprises accruals of professional fees, interest for bank borrowings and accrued staff costs.

12 BANK BORROWINGS

The bank borrowings are unsecured and repayable as follows:

	2023	2022
	HK$'000	*HK$'000*
Within 1 year	**3,636,561**	2,892,469
Between 1 and 2 years	**1,228,283**	1,581,311
Between 2 and 5 years	**919,107**	480,000
More than 5 years	**486,515**	—
	6,270,466	4,953,780
Less: Non-current portion	**(2,633,905)**	(2,061,311)
Current portion	**3,636,561**	2,892,469

Notes:

(a) As at 31 December 2023 and 2022, corporate guarantee was provided by the Company and its subsidiaries for the bank borrowings.

(b) The Group has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting periods.

(c) As at 31 December 2023 and 2022, none of bank borrowings contained repayment on demand clause and were classified as current liabilities. These bank borrowings are repayable by instalments up to 2038 (2022: 2025).

(d) As at 31 December 2023 and 2022, the carrying amounts of the Group's bank borrowings are approximate their fair values and denominated in the following currencies:

	2023	2022
	HK$'000	*HK$'000*
HKD	**5,437,943**	4,953,780
RMB	**832,523**	—
	6,270,466	4,953,780

(e) As at 31 December 2023, majority (2022: all) of bank borrowings bore floating interest rates and were exposed to interest rate changes.

The effective interest rates per annum at reporting date were as follows:

	2023	2022
Bank borrowings	**6.05%**	5.56%

13. SUBSEQUENT EVENT

On 28 February 2024, the Company exercise of Call Option (Group 5) pursuant to the Solar Farm Agreement. On the same date, the Group entered into four sales and purchase agreements (the "**Solar Farm (Group 5) Agreements**") with Xinyi Solar Holdings Limited ("**Xinyi Solar**" and its subsidiaries, collectively "**Xinyi Solar Group**") to acquire eight solar farms with an aggregate approved capacity of 790 megawatts ("**MW**") in the PRC. Further details of which are disclosed in the joint announcement of the Company and Xinyi Solar dated 28 February 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2023, the consolidated revenue of the Group recorded an increase of 8.7% to HK$2,517.4 million, as compared to HK$2,315.3 million for 2022. Profit for the year attributable to the equity holders of the Company slightly increased by 2.2% to HK$993.0 million. Basic earnings per share amounted to 12.56 HK cents, representing a decrease of 5.6% as compared to the same in the last year. The Board proposes to declare a final dividend of 2.6 HK cents per share, subject to the approval by the shareholders (the "**Shareholders**") of the Company at the forthcoming annual general meeting (the "**AGM**") of the Company.

BUSINESS REVIEW

Continuous contribution from the solar farm portfolio

For the year ended 31 December 2023, electricity generated by utility-scale solar farm projects owned and operated by the Group increased by 10.9% as compared with 2022, owed mainly to the continuous contribution from the solar farm projects acquired in 2022 (the "**2022 Portfolio**") and the solar farm projects acquired in 2023 (the "**2023 Portfolio**"). The total revenue generated from the 2022 Portfolio and 2023 Portfolio was HK$259.8 million for the year ended 31 December 2023, accounting for 10.4% of the total revenue of the solar power electricity generation business. However, due to depreciation of the Renminbi ("**RMB**") against Hong Kong Dollar ("**HKD**") during the year, revenue of the Group only recorded an increment of 8.7%.

With the acquisition of three solar farm projects of the 2023 Portfolio completed in the second half of 2023, the Directors expect full performance of the 2023 Portfolio to be reflected gradually in the Group's results in 2024.

Capacity of solar farm projects increased in 2023

As polysilicon prices started declining since the end of 2022, photovoltaic ("**PV**") module prices and installation costs of solar farm projects had also kept trending down during the year. With the continued dropping in the polysilicon prices in the first half of 2023, construction of pipeline projects had slowed down in the first half of 2023 but had been speeding up during the second half of 2023.

For the year ended 31 December 2023, the Group acquired from Xinyi Solar Group four utility-scale solar farm projects under the grid-parity regime in the PRC with aggregate approved capacity of 636.5 MW. With the construction progress of pipeline projects returning to normal, the Group will carry on with the remaining acquisition from Xinyi Solar as and when consider appropriate. The Group will also identify in the market solar farm projects that promise high returns in order to maintain a steady growth in its aggregate approved capacity and revenue in 2024.

As of 31 December 2023, the aggregate approved capacity of utility-scale solar farm projects owned and operated by the Group amounted to 3,650.5 MW, of which 1,724 MW was under the FiT regime and 1,926.5 MW was under the grid-parity regime. The operating cash flow of the Group has progressively improved with solar farm projects under the grid-parity regime added in 2023.

Commenced borrowing from domestic banks in the PRC

Offshore bank borrowing interest rates had kept rising since the second half of 2022. In contrast, interest rates in the PRC continued to trend down during the year. In light of that, the Group had actively explored financing opportunities with domestic banks in the PRC. As of 31 December 2023, the Group had loan facilities secured and had drawn down from onshore bank borrowings since the first half of 2023. As transactions made by the solar farm projects in the PRC are denominated and settled in RMB, the use of onshore bank borrowings can help to lower the finance cost, when compared with offshore bank borrowings, and can also avoid the risk of mismatch in the currency of the bank borrowings and source of revenue. As of 31 December 2023, 13.3% of the total bank borrowings were denominated in RMB.

BUSINESS OUTLOOK

In the second half of 2022, the National Development and Reform Commission ("**NDRC**"), the National Bureau of Statistics and the National Energy Administration ("**NEA**") jointly issued the "Notice on Further Effectively Conducting the Work Concerning Exclusion of Newly Added Renewable Energy Consumption from the Total Amount of Energy Consumption" (《關於進一步做好新增可再生能源消費不納入能源消費總量控制有關工作的通知》) (the "**Notice on Renewable Energy Consumption**"). The notice is of great significance in promoting the transition to clean and low-carbon energy in the PRC. The exclusion of new renewable energy consumption from the control of total energy consumption is conducive to encouraging renewable energy consumption in the entire country. With the country pressing ahead to meet the "dual-carbon" targets, the introduction of favourable policies and general price reduction across the industrial value chain, new PV installations in the PRC hit a record high of 217 gigawatts ("**GW**") in 2023, which is far greater than the market expectations at the beginning of the year.

The Notice on Renewable Energy Consumption proposes to set up a standard green certification system in the country and accelerates the establishment of a green electricity certificate (the "**GEC"**) trading market. The NDRC, the Ministry of Finance and the NEA jointly issued the "Notice of Effectively Completing the Full Coverage of Renewable Energy Green Electricity Certificates to Promote Renewable Electricity Consumption" (《做好可再生能源綠色電力證書全覆蓋工作促進可再生能源電力消費的通知》) in August 2023, which further improves the GEC system and realise full coverage of the issuance of GECs for the renewable energy. In the "Key Points for Energy Regulation in 2024" (《2024年能源監管工作要點》), the NEA expressively stated that accelerating the establishment of green power and GEC markets and cultivating a green consumption market are the key tasks for the year. As the only certificate for renewable energy power production and consumption, the GECs can be transferred between power generation enterprises and users participating in the trading of GECs. Guiding energy-consuming units to take initiatives to assume the social responsibility of consuming renewable energy electricity by promoting GECs transactions would facilitate the consumption of renewable energy power, thereby ensuring the consumption of renewable energy power. Meanwhile, the sale of the GECs is expected to bring additional revenue to renewable energy enterprises. The Group will actively capture the opportunities arising from the trading of GECs to maximise the benefits of its solar farm projects.

In 2023, the prices of PV module and energy storage dropped significantly, leading to a significant improvement in the economic efficiency of PV power generation. China's newly installed capacity of PV power generation in 2023 is close to the total installed capacity for the past four years, which best demonstrates that cost reduction can effectively stimulate the PV demand. Amidst the highly competitive environment, the low price of PV modules are expected to become the norm in 2024, which along with the advancement in energy storage technology, which will persistently contribute to lowering the construction cost of PV systems. Decreased loan prime rate ("**LPR**") will also facilitate a decline in financing costs. These factors make solar farm projects in China highly appealing regarding return rates, even after considering the increase in energy storage and market-oriented trading power ratio. Therefore, the new installed capacity of PV power generation in China in 2024, in particular the utility-scale solar farm projects with higher price sensitivity, is expected to maintain growth despite the high base in 2023. Looking ahead, the advancement of new energy storage technology, the maturity of the industry, the further reduction of costs, the optimisation of energy storage and dispatch and market mechanisms will fully exert the important supporting role of energy storage in the construction of a new power system based on renewable energy. Increasing the energy storage ratio by the combination of solar power generation and energy storage will greatly improve the regulation capability of the power system, ensure the safe operation of the power grid, achieve the power system with a high proportion of renewable energy, and fully open up the room for growth of PV power generation capacity in the medium and long term. Therefore, the supply of solar farm projects is expected to remain abundant. Xinyi Solar, the parent company, added more than 1 GW of solar farm projects in 2023 and, therefore, has sufficient pipeline projects for the Group's future acquisitions. When implementing new project acquisitions, the Group will carefully identify, evaluate and select the solar farm projects of the parent company and third parties taking into account the reasonable returns of the projects and its own financial condition.

The substantial increase in the interest rates of offshore bank borrowings in 2023 was mainly due to multiple interest rate hikes by the Federal Reserve of the United States ("**US Federal Reserve**") during the past two years. With the end of the US Federal Reserve's last interest rate meeting in December 2023 to suspend interest rate hikes, the pace of interest hikes of the US Federal Reserve has slowed down. The Group has successfully established onshore bank financing channels since 2023 and plans to continue seeking financing opportunities with the PRC banks in 2024. In February 2024, the over 5-year LPR was reduced by 25 basis points, marking the largest one-off decline in history, and domestic financing costs further declined. The Group intends to meet the capital needs for its new acquisitions mainly through domestic bank financing in the PRC in the future. With the increase in the proportion of domestic financing, the Group's comprehensive borrowing interest rate will decline, which is expected to significantly improve the Group's cost of debts. In the meantime, future bank financing will mainly be long-term loans, which will further adjust and optimise the financing structure and consequently help the Group effectively reduce the risk associated with changes in financing policies and refinancing.

The development of renewable energy in the PRC is mingled with opportunities and challenges amid relevant systems relating to renewable energy consumption, energy storage and dispatch, green power market-based trading and GECs trading, being formed and implemented. Intensifying competition in the industry has also led to more stringent requirements for quality development, operation and maintenance control, and cost control for solar farm operators. The Group will continue diversifying its solar farm portfolio and actively seeking opportunities in the PRC and overseas to expand its business scale and asset portfolio, in order to enhancing profitability and bringing long-term investment returns to the Shareholders.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2023, the Group's revenue was mainly derived from two sources, namely (i) solar power electricity generation and (ii) the provision of the solar farm operation and management services. Revenue from solar power electricity generation increased, due to contribution from the 2022 Portfolio and 2023 Portfolio, as compared to 2022.

The table below sets forth an analysis of the Group's revenue for the year ended 31 December 2023, as compared to 2022.

	2023		2022		Change	
	HK$' million	*%*	*HK$' million*	*%*	*HK$' million*	*Increase/ (decrease) in %*
Sales of electricity	**1,419.1**	**56.4**	1,279.2	55.3	139.9	10.9
Tariff adjustment	**1,088.1**	**43.2**	1,250.0	54.0	(161.9)	(13.0)
	2,507.2	**99.6**	2,529.2	109.3	(22.0)	(0.9)
Deduction of tariff adjustment	**—**	**—**	(223.8)	(9.7)	223.8	(100.0)
	2,507.2	**99.6**	2,305.4	99.6	201.8	8.7
Operation and management services	**10.2**	**0.4**	9.9	0.4	0.3	3.0
Total	**2,517.4**	**100.0**	2,315.3	100.0	202.1	8.7

The Group's revenue contributed by sales of electricity and tariff adjustment net of deduction increased by 10.9% to HK$1,419.1 million and 6.0% to HK$1,088.1 million, respectively, as compared to the year ended 31 December 2022. The increase in total revenue was primarily attributable to the contribution of the 2022 Portfolio and 2023 Portfolio, which was, however, offset by the depreciation of the RMB against the HKD during the year.

During the year ended 31 December 2023, the Group's revenue from solar power electricity generation was contributed by the following solar farm projects:

Name of the solar farm projects	Location in the PRC	Approved capacity *(MW)*
Initial solar farm projects owned and operated by the Group	Nine solar farm projects located in Anhui Province, Fujian Province, Hubei Province and Tianjin Municipality	954
Solar farm projects newly added in 2019 ("**2019 Portfolio**")	Six solar farm projects located in Anhui Province, Hubei Province and Henan Province	540
Solar farm projects newly added in 2020 ("**2020 Portfolio**")	Five solar farm projects located in Anhui Province, Hubei Province and Guangdong Province	340
Solar farm projects newly added in 2021 ("**2021 Portfolio**")	Eight solar farm projects located in Anhui Province, Hubei Province, Hebei Province and Guangdong Province	660
Solar farm projects newly added in 2022 ("**2022 Portfolio**")	Seven solar farm projects located in Hubei Province, Hebei Province, Shaanxi Province and Inner Mongolia Autonomous Region	520
Solar farm project newly added in 2023 ("**2023 Portfolio**")		
Hainan Solar Farm	Hainan Province	300
Jiangmen Solar Farm	Guangdong Province	150
Hexian Solar Farm	Anhui Province	102
Shenxiang Solar Farm	Anhui Province	84.5
		636.5
Total		**3,650.5**

The Group recorded revenue of HK$10.2 million from the provision of solar farm operation and management services for the year ended 31 December 2023, representing 0.4% of the total revenue. Pursuant to the Solar Farm Operation and Management Agreement, Xinyi Solar has agreed to engage the Group to operate and manage its connection-ready solar farm projects. All of the revenue in 2023 generated from the services provided to Xinyi Solar was on commercial terms, taking into consideration factors such as service quality, work efficiency and price, as compared with the services provided to independent third parties.

Cost of sales

For the year ended 31 December 2023, the Group has continued to achieve an effective and efficient operation with lower costs through enhancement on the sophisticated management for individual solar farms and a nationwide centralised surveillance system.

In 2023, the Group's cost of sales increased by 18.7% to HK$808.2 million from HK$681.0 million in 2022. The increase was mainly due to the increase in (i) employee benefit expenses; (ii) electricity costs; (iii) the depreciation charge of property, plant and equipment and right-of-use assets of the 2022 Portfolio and 2023 Portfolio; and (iv) the repair and maintenance expenses.

Gross profit

The Group's gross profit increased by 4.6% to HK$1,709.2 million during the year ended 31 December 2023 from HK$1,634.2 million for the year ended 31 December 2022. The increase was mainly due to the increase in the amount of revenue which outweighed the increase in the cost of sales even though some expenses were reallocated from the administrative expenses to the cost of sales as compared to 2022.

The gross profit margin of the Group in 2023 slightly decreased by 2.7 percentage points to 67.9% from 70.6% in 2022. The decrease was mainly due to the increase in the cost of sales, which exceeded the increase in revenue.

Other income

The amount of other income for the year ended 31 December 2023 was HK$12.9 million, as compared to HK$29.2 million for the year ended 31 December 2022. The decrease was primarily due to the decrease in (i) the receipt of government grants; (ii) the receipt of insurance compensation; and (iii) miscellaneous incomes.

Other losses, net

The Group recorded other losses, net of HK$4.9 million for the year ended 31 December 2023, as compared to HK$19.0 million for the year ended 31 December 2022. The decrease was mainly due to (i) the increase in foreign exchange gains and (ii) the decrease in impairment loss of goodwill.

Administrative expenses

For the year ended 31 December 2023, the Group's administrative expenses decreased by HK$15.2 million from HK$71.7 million for the year ended 31 December 2022 to HK$56.5 million for the year ended 31 December 2023. The decrease was mainly due to the increase in miscellaneous expenses offset by the decrease in insurance expenses and the effect of expenses reallocation to cost of sales.

Finance costs

For the year ended 31 December 2023, the finance costs of the Group amounted to HK$361.7 million, as compared to HK$270.3 million for the year ended 31 December 2022. The interest expense on bank borrowings significantly increased from HK$120.8 million for the year ended 31 December 2022 to HK$295.3 million for the year ended 31 December 2023. The increase was primarily due to the (i) increase in the balance of interest-bearing bank borrowings and (ii) higher bank borrowing's effective interest rate during the year. The interest component on lease liabilities slightly increased to HK$45.7 million from HK$43.3 million for the year ended 31 December 2022, due to the completion of acquisitions of 2022 Portfolio and 2023 Portfolio. Meanwhile, the imputed interest expense on the deferred payment of the consideration of 2019 Portfolio was HK$20.8 million during the year ended 31 December 2023.

Income tax expense

The Group incurred income tax expense of HK$303.4 million during the year ended 31 December 2023, as compared to HK$298.3 million for the year ended 31 December 2022. The increase was mainly due to 14 (2022: 12) solar farm projects commencing full payment of the PRC corporate income tax at the statutory rate of 25% offset by the depreciation of the RMB during the year.

EBITDA and net profit

For the year ended 31 December 2023, the EBITDA (earnings before interest, taxation, depreciation and amortisation) was HK$2,327.0 million, representing an increase of 8.6% as compared to HK$2,142.0 million in 2022. The EBITDA margin slightly decreased by 0.1 percentage point from 92.5% for the year ended 31 December 2022 to 92.4% during the year ended 31 December 2023.

Net profit attributable to the equity holders of the Company during the year ended 31 December 2023 was HK$993.0 million, representing an increase of 2.2% as compared to HK$971.5 million for the year ended 31 December 2022. The decrease in the net profit margin from 42.0% for the year ended 31 December 2022 to 39.4% during the year ended 31 December 2023 was primarily due to an increase in revenue, offset by (i) the decrease in other income and (ii) the increase in depreciation charge to property, plant and equipment and right-of-use assets, employee benefit expenses, repair and maintenance expenses, finance costs and income tax expense.

FINAL DIVIDEND

At the Board meeting held on 28 February 2024, the Directors has recommended the payment of the final dividend (the "**Final Dividend**") of 2.6 HK cents per share for the year ended 31 December 2023. The recommendation of payment of the Final Dividend are subject to the approval of the Shareholders at the AGM to be held on Friday, 31 May 2024. If approved by the Shareholders, it is expected that the Final Dividend will be paid on or about Wednesday, 7 August 2024 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 11 June 2024.

Shareholders will be given an option to receive the Final Dividend in cash or wholly or partly in new and fully paid shares of the Company in lieu of cash. The scrip dividend scheme (the "**Scrip Dividend Scheme**") is subject to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the listing of and permission to deal in the new shares to be allotted and issued under the Scrip Dividend Scheme.

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commencing on Tuesday, 4 June 2024 until Tuesday, 11 June 2024 (both days inclusive) rounded down to two decimal places.

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 December 2023, the Group's total assets increased by 6.0% to HK$21,133.6 million and net assets increased by 13.1% to HK$13,307.3 million. Current ratio of the Group as of 31 December 2023 was 1.2, as compared to 1.0 as of 31 December 2022, due to (i) the increase in trade and other receivables; (ii) the decrease in accruals and other payables; and (iii) the decrease in the amount due to immediate holding company, offset by (i) the decrease in cash and cash equivalents and (ii) the increase in the current portion of bank borrowings.

The Group's net debt gearing ratio (bank borrowings minus cash and cash equivalents divided by total equity) as of 31 December 2023 was 42.3% (31 December 2022: 26.9%). The increase was mainly due to the decrease in cash and cash equivalent arising from the receipt of tariff adjustment subsidies and the increase in bank borrowings.

As of 31 December 2023, the Group's financial position remained healthy, with the cash and cash equivalents balance at HK$645.0 million. During the year ended 31 December 2023, net cash generated from operating activities was HK$753.1 million (2022: HK$2,899.4 million), which was primarily attributable to the profit before income tax of HK$1,298.1 million (2022: HK$1,272.2 million) and partially offset by the increase in (i) trade and other receivables and (ii) interest paid. Net cash used in investing activities amounted to HK$2,610.4 million (2022: HK$1,530.4 million), which was primarily attributable to payment for capital expenditure for the 2022 Portfolio and 2023 Portfolio and the settlement of outstanding capital expenditure for solar farm projects which had previously completed construction during the year. Net cash generated from financing activities amounted to HK$735.3 million (2022: net cash used in financing activities, HK$576.4 million) which was primarily attributable to (i) net proceeds from issuance of shares in respect of rights issue of HK$1,627.8 million and (ii) the new bank borrowing of HK$5,912.0 million, partially offset by the settlement of deferred payment of consideration of 2019 Portfolio of HK$1,409.0 million, repayments of bank borrowings of HK$4,597.1 million and dividends paid in cash to the Shareholders during the year.

CAPITAL EXPENDITURES AND COMMITMENTS

In 2023, the Group incurred capital expenditures of HK$2,630.2 million, mainly used for (i) the acquisition and further refinement of the solar farm projects and (ii) the settlement of outstanding capital expenditures of the existing solar farm projects. As of 31 December 2023, the Group did not have any capital commitments (2022: Nil).

PLEDGE OF ASSETS

The Group did not have any pledged asset as security for bank borrowings as of 31 December 2023 (2022: nil).

CONTINGENT LIABILITIES

As of 31 December 2023, the Group did not have any significant contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2023, the Group completed the acquisition of four solar farms projects from Xinyi Solar. Please refer to the announcements of the Company dated 24 February 2023 and 28 September 2023, respectively for further details.

Save as disclosed above, the Group did not have any material acquisition and disposal of subsidiaries for the year ended 31 December 2023.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's solar farm projects are in the PRC with most of the transactions denominated and settled in RMB. The financial performance and assets value could be affected by the exchange rate fluctuation between RMB and HKD. The Group may use financial instruments for hedging purposes when faced with material difficulties and liquidity problems resulting from currency exchange rate fluctuation.

All of the revenue generated from the solar farm projects is denominated in RMB and the majority of the bank borrowings are denominated in HKD. As part of the treasury policies, the Group would strike a deliberate balance between the risk of currency mismatch and the interest rate differentials in HKD and RMB borrowings. The Group commenced the drawdown from onshore bank borrowings since the first half of 2023. As of 31 December 2023, the majority of the bank borrowings were denominated in HKD.

During the year ended 31 December 2023, the Group has not experienced any material difficulties and liquidity problems resulting from the currency exchange rate fluctuation. However, the Group may use financial instruments for hedging purposes as and when required. For the year ended 31 December 2023, the Group did not use any financial instrument for hedging purpose.

EMPLOYEES AND REMUNERATION POLICY

The Group highly values its employees, sharing mutual benefits and growth with them. The Group constantly explores each employee's potential and ability. Likewise, the Group will continue to hire new employees as and when appropriate to support its business development.

As of 31 December 2023, the Group had 385 full-time employees in total in Hong Kong and the PRC. Total staff costs, including Directors' emoluments was HK$66.5 million for the year ended 31 December 2023. Its employees are remunerated based on their qualifications, job nature, performance and working experiences plus reference to the prevailing market rate. Apart from basic remuneration and discretionary bonus, the Group also provides mandatory provident fund scheme to employees in Hong Kong and statutory social welfare contribution to employees in the PRC, adhering to the local laws and regulations.

USE OF THE NET PROCEEDS FROM RIGHTS ISSUE

In June 2023, the Company raised the net proceeds of HK$1,627.8 million by way of rights issue of 744,040,025 rights shares. The net proceeds from the rights issue have been fully utilised by 31 December 2023. The table below sets forth the proposed application of the net proceeds and the actual usage up to 31 December 2023:

	Proposed application of the net proceeds	**Amount used up to 31 December 2023**	**Remaining balance up to 31 December 2023**
	HK$' million	*HK$' million*	*HK$' million*
Refinancing of the Group's bank borrowings	1,465.0	1,465.0	—
General working capital	162.8	162.8	—
Total	**1,627.8**	**1,627.8**	**—**

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 22 November 2018, 4,000,000 share options were granted to selected employees and an executive Director in June 2023. The validity period of the options is from 1 June 2023 to 31 March 2027. One third of the options will vest on each of 31 December 2023, 2024 and 2025 if each grantee has met the conditions of vesting as stated in the letter of grant.

EVENT AFTER THE REPORTING PERIOD

On 28 February 2024, the Company exercise of Call Option (Group 5) pursuant to the Solar Farm Agreement. On the same date, the Group entered into the Solar Farm (Group 5) Agreements with Xinyi Solar Group to acquire eight solar farms with an aggregate approved capacity of 790 MW in the PRC. Further details of which are disclosed in the joint announcement of the Company and Xinyi Solar dated 28 February 2024.

Save as disclosed above, no significant event has taken place subsequent to 31 December 2023 and up to the date of this announcement.

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

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors confirm that the Company has complied with the applicable code provisions contained in the Corporate Governance Code (the "**CG Code**") set forth in Part 2 of Appendix C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the year ended 31 December 2023.

MODEL CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set forth in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors. Having made specific enquiries with the Directors, all Directors confirmed that they had complied with the required standard of dealings as set forth in the Model Code during the year ended 31 December 2023.

AUDIT COMMITTEE OF THE BOARD

The audit committee (the "**Audit Committee**") of the Company was established on 22 November 2018 with written terms of reference in compliance with the CG Code, comprising of three independent non-executive Directors, namely, Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. Mr. LEUNG Ting Yuk is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review the accounting principles and practices adopted by the Group and discuss the internal control procedures and financial reporting matters.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2023.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this announcement, the Company has maintained sufficient public float between 15% and 25% as the market capitalisation of the Company at the time of listing exceeds HK$10 billion of the shares held by the public as required under the Listing Rules.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2023 containing all the information required by Appendix D2 to the Listing Rules and other applicable laws and regulations will be despatched to the Shareholders and published on the websites of the Company and the Stock Exchange in due course.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set forth in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set forth in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on this preliminary announcement.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 31 May 2024. The register of members of the Company will be closed from Tuesday, 28 May 2024 to Friday, 31 May 2024 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 27 May 2024.

The register of members of the Company will be closed from Thursday, 6 June 2024 to Tuesday, 11 June 2024 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the Final Dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 5 June 2024.

On behalf of the Board
Xinyi Energy Holdings Limited
LEE Shing Put, B.B.S.
Chairman

Hong Kong, 28 February 2024

As of the date of this announcement, the Board comprises four executive Directors, namely, Mr. LEE Shing Put, B.B.S.(Chairman of the Board), Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., Mr. TUNG Fong Ngai and Mr. LEE Yau Ching, and three independent non-executive Directors, namely Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang.

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.xinyienergy.com.