华商能源
CM Energy

CM Energy Tech Co., Ltd.
华商能源科技股份有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 206)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS

- Revenue amounted to approximately US$166.8 million for the year ended 31 December 2024, representing a decrease of 8.0% as compared with 2023;

- Gross profit amounted to approximately US$41.5 million for the year ended 31 December 2024, representing an increase of 1.2% as compared with 2023;

- Gross profit margin increased from 22.6% for 2023 to 24.9% for 2024, representing an increase of 2.3 percentage points as compared with 2023;

- Profit attributable to owners of the Company amounted to approximately US$9.2 million for the year ended 31 December 2024, representing a decrease of 3.6% from US$9.5 million for 2023; and

- The Board proposed to declare a final dividend of HK$0.01 per share for the year ended 31 December 2024.

ANNUAL RESULTS

The board (the "**Board**") of the directors (the "**Directors**") announces the audited consolidated results of CM Energy Tech Co., Ltd. (the "**Company**" or "**CM Energy**") and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2024 (the "**Year**") together with the comparative figures for the year ended 31 December 2023 as follows using United States dollars as presentation currency:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024 (Expressed in United States dollars)

	NOTES	**2024** *US$'000*	2023 *US$'000*
Revenue	*4*	**166,773**	181,337
Cost of sales		**(125,294)**	(140,340)
Gross profit		**41,479**	40,997
Other income, gains and losses, net		**2,732**	4,207
Selling and distribution expenses		**(2,600)**	(2,496)
General and administrative expenses		**(26,002)**	(25,454)
Other expenses		**(219)**	(822)
Impairment losses under expected credit loss model, net of reversal		**(1,257)**	(2,274)
Profit from operations		**14,133**	14,158
Finance costs		**(80)**	(123)
Share of results of associates		**(1,893)**	(78)
Share of results of a joint venture		**–**	(2)
Profit before taxation	*5*	**12,160**	13,955
Income tax expense	*6*	**(2,966)**	(4,346)
Profit for the year		**9,194**	9,609
Profit for the year attributable to:			
– Owners of the Company		**9,160**	9,502
– Non-controlling interests		**34**	107
		9,194	9,609
Earnings per share	*8*		
– Basic and diluted		**US0.29 cent**	US0.30 cent

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024 (Expressed in United States dollars)

	2024	2023
	US$'000	*US$'000*
Profit for the year	**9,194**	9,609
Other comprehensive (expense) income for the year:		
Items that will not be reclassified subsequently to profit or loss:		
– Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")	**(3,774)**	837
– Share of other comprehensive income of a joint venture	**–**	325
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences arising on translation of foreign operations	**(3,545)**	(1,559)
Other comprehensive expense for the year	**(7,319)**	(397)
Total comprehensive income for the year	**1,875**	9,212
Total comprehensive income for the year attributable to:		
– Owners of the Company	**1,841**	9,113
– Non-controlling interests	**34**	99
	1,875	9,212

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024 (Expressed in United States dollars)

	NOTES	2024 US$'000	2023 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**31,364**	53,237
Investment properties		**1,038**	1,316
Goodwill		**362**	389
Intangible assets		**1,443**	1,743
Interests in associates		**15,349**	16,497
Financial assets at FVTOCI		**1,648**	5,422
Prepayments		**438**	888
Lease receivables		**–**	100
Deferred tax assets		**1,647**	1,854
		53,289	81,446
CURRENT ASSETS			
Inventories	*9*	**37,184**	39,950
Trade and other receivables	*10*	**101,757**	110,457
Lease receivables		**33,266**	15,479
Tax recoverable		**15**	146
Pledged bank deposits		**759**	5,457
Cash and cash equivalents		**84,100**	73,366
		257,081	244,855
CURRENT LIABILITIES			
Trade and other payables	*11*	**50,755**	60,185
Contract liabilities		**28,167**	34,165
Lease liabilities		**45,399**	29,707
Tax payable		**3,223**	4,284
		127,544	128,341
NET CURRENT ASSETS		**129,537**	116,514
TOTAL ASSETS LESS CURRENT LIABILITIES		**182,826**	197,960

	2024	2023
	US$'000	*US$'000*
NON-CURRENT LIABILITY		
Lease liabilities	**3,579**	22,136
NET ASSETS	**179,247**	175,824
CAPITAL AND RESERVES		
Share capital	**41,418**	41,418
Reserves	**136,773**	133,623
Total equity attributable to owners of the Company	**178,191**	175,041
Non-controlling interests	**1,056**	783
TOTAL EQUITY	**179,247**	175,824

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in United States dollars unless otherwise indicated)

1. GENERAL INFORMATION

CM Energy Tech Co., Limited (the "**Company**") was incorporated and registered as an exempted company in the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's controlling shareholder is Prime Force Investment Corporation, which shares are indirectly owned by China Merchants Industry Holdings Co., Ltd ("**CM Industry**"), a company established in the People's Republic of China (the "**PRC**"). CM Industry's ultimate holding company is China Merchants Group Limited ("**CM Group**"), which is a PRC enterprise regulated and directly managed by the State-Owned Assets Supervision and Administration Commission of the State Council. CM Group is owned and controlled by the PRC Government.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are (i) design, manufacturing, installation and commissioning of equipments related to land and offshore drilling rigs and equipments related to offshore wind power installation platform and rigs, leasing of self-owned land drilling rigs, and manufacturing and sales of windwings; (ii) provision of supply chain and integration services in relation to oilfield expendables and supplies; and (iii) provision of assets management, engineering services and sub-leasing of land and offshore drilling rigs and diving support construction vessels. The Company's principal activity is investment holding.

The functional currency of the Company is Hong Kong dollars ("**HK$**"). Subsidiaries of the Company have their functional currencies other than HK$, mainly Renminbi ("**RMB**"), Singapore dollars ("**SGD**"), United States dollars ("**US$**") and Pound Sterling ("**GBP**"). In view of the Group operates in various foreign countries, the directors of the Company consider United States dollars, being an internationally well-recognised currency, can provide more meaningful information to the Company's investors and meet the needs of the Group's global customers. Therefore, the directors of the Company choose United States dollars as the presentation currency of the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

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

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to Hong Kong Accounting Standards ("**HKAS**") 1	*Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements − Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*
Amendments to HKAS 1	*Non-current Liabilities with Covenants*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards − Volume 11*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective for annual periods beginning on or after a date to be determined

Except as described 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.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and amendments to HKFRSs issued but not yet effective *(Continued)*

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace HKAS 1 *Presentation of Financial Statements*. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the consolidated statement of financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and consolidated statement of cash flows and disclosures in the future consolidated financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2024 but are extracted from those financial statements.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

4. REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

Disaggregation of revenue by major products or service lines is as follows:

	2024	2023
	US$'000	*US$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of equipment related to land and offshore drilling rigs and equipments related to offshore wind power installation platform and rigs	**86,068**	99,337
Sales of oilfield expendables and supplies and related installation services	**25,755**	29,089
Assets management and engineering service fee income	**28,801**	18,889
Sub-total	**140,624**	147,315
Revenue from other sources		
Rental income arising from leasing of land and offshore drilling rigs classified as operating leases	**494**	2,037
Rental income arising from sub-leasing of diving support construction vessels classified as operating leases	**24,496**	30,825
Gain on sub-leasing of offshore drilling rigs classified as finance leases	**856**	858
Interest income from sub-leasing of offshore drilling rigs classified as finance leases	**303**	302
Sub-total	**26,149**	34,022
Total	**166,773**	181,337

4. REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting

The Group manages its business by divisions. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Equipment manufacturing and packages: Design, manufacturing, installation and commissioning of equipments related to land and offshore drilling rigs and equipments related to offshore wind power installation platform and rigs, leasing of self-owned land drilling rigs, and manufacturing and sales of windwings

- Supply chain and integration services: Provision of supply chain and integration services in relation to oilfield expendables and supplies

- Assets management and engineering services: Provision of assets management, engineering services and sub-leasing of land and offshore drilling rigs and diving support construction vessels

	Equipment manufacturing and packages		Supply chain and integration services		Assets management and engineering services		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Revenue from external customers	**86,562**	101,374	**25,755**	29,089	**54,456**	50,874	**166,773**	181,337
Inter-segment revenue	**25,737**	52,899	**6,249**	2,759	**408**	588	**32,394**	56,246
Reportable segment revenue	**112,299**	154,273	**32,004**	31,848	**54,864**	51,462	**199,167**	237,583
Reportable segment results	**14,601**	9,255	**2,479**	3,317	**4,226**	3,181	**21,306**	15,753

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging (crediting):

	2024	2023
	US$'000	*US$'000*
Finance costs		
Interest on lease liabilities	**1,603**	2,538
Interest on consideration payable	**29**	30
	1,632	2,568
Less: Interest on lease liabilities relating to sub-leasing of leased offshore drilling rigs included in costs of sales	**(559)**	(558)
Interest on lease liabilities relating to leased vessels included in costs of sales	**(993)**	(1,887)
	80	123

6. INCOME TAX EXPENSE

An analysis of income tax expense is as follows:

	2024	2023
	US$'000	*US$'000*
Current taxation		
Provision for the year		
• The PRC enterprise income tax	**1,800**	2,246
• Overseas corporation income tax	**1,108**	2,826
	2,908	5,072
Under (over) provision in respect of prior years	**20**	(298)
	2,928	4,774
Deferred taxation		
Origination of temporary difference	**38**	(428)
	2,966	4,346

7. DIVIDENDS

	2024	2023
	US$'000	*US$'000*
Final dividend paid out of the share premium account during 2023 in respect of the year ended 31 December 2022 of HK$0.01 per ordinary share	**–**	4,052

On 26 March 2025, a final dividend of HK$0.01 per ordinary share in respect of the year ended 31 December 2024, in an aggregate amount of approximately HK$32,434,000, has been proposed by the directors of the Company and are subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately US$9,160,000 (2023: US$9,502,000) and the weighted average number of ordinary shares in issue during the year calculated as follows:

Weighted average number of ordinary shares

	2024	2023
	'000	*'000*
Issued ordinary shares at 1 January	**3,243,434**	3,243,434
Effect of shares held for share award scheme (including the effect of share granted under share award scheme)	**(70,499)**	(70,499)
Weighted average number of ordinary shares at 31 December	**3,172,935**	3,172,935

(b) Diluted earnings per share

Diluted earnings per share equals to basic earnings per share for the years ended 31 December 2024 and 2023 because there were no potential dilutive ordinary shares outstanding.

9. INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	2024	2023
	US$'000	*US$'000*
Raw materials	**7,818**	4,592
Work in progress	**19,567**	27,738
Finished goods	**9,799**	7,620
	37,184	39,950

10. TRADE AND OTHER RECEIVABLES

	2024	2023
	US$'000	*US$'000*
Trade receivables and bills receivables	**140,059**	126,020
Less: Allowance for impairment losses	**(60,393)**	(60,183)
	79,666	65,837
Other receivables, prepayments and deposits	**22,529**	22,967
Amount due from CM Industry	**–**	16,569
Prepaid on behalf of its fellow subsidiaries	**–**	5,972
	102,195	111,345
Less: Non-current portion of prepayments	**(438)**	(888)
	101,757	110,457

The following is an ageing analysis of trade receivables and bills receivables, net of allowance for credit losses, where trade receivables is presented based on the transaction date, and bills receivables is presented based on the bills issuance date at the end of the reporting period:

	2024	2023
	US$'000	*US$'000*
Trade receivables and bills receivables		
Within 1 month	**19,915**	26,703
More than 1 month but within 3 months	**19,743**	14,186
More than 3 months but within 12 months	**36,250**	13,693
More than 12 months but within 24 months	**2,873**	2,408
More than 24 months	**885**	8,847
	79,666	65,837

10. TRADE AND OTHER RECEIVABLES *(Continued)*

The credit terms offered by the Group to its customers differ with each product/service. The credit terms offered to customers under the business segment of supply chain and integration services, and assets management and engineering services are normally 30 to 90 days. The credit terms offered to customers under the business segment of equipment manufacturing and packages are negotiated on a case-by-case basis.

11. TRADE AND OTHER PAYABLES

	2024	2023
	US$'000	*US$'000*
Trade payables and bills payables	**24,152**	34,014
Consideration payable for acquisition of a business	**–**	754
Payable for capital injection into associates	**2,740**	9,567
Amount due to a non-controlling interest of a subsidiary	**251**	262
Other payables and accrued charges	**23,612**	15,588
	50,755	60,185

As of the end of the reporting period, the ageing analysis of trade payables and bills payables, based on invoice date and bills issuance date respectively, is as follows:

	2024	2023
	US$'000	*US$'000*
Within 1 month	**8,074**	13,408
More than 1 month but within 3 months	**9,212**	7,235
More than 3 months but within 12 months	**2,337**	9,472
More than 12 months but within 24 months	**1,256**	1,592
More than 24 months	**3,273**	2,307
	24,152	34,014

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2024, the global energy transition enters a new stage, with carbon neutrality goals intertwining with energy security demands. The Company consistently adheres to the core philosophy of "Technological Innovation Drives a Green Future", closely aligning with the strategic positioning of being an "industry-leading technological innovation-driven green energy and equipment service provider", further deepening the business layout of "hydrogen, engineering, electricity and services", and continuously strive for breakthroughs in clean energy technology and synergistic upgrades in the marine industries. In the face of complex and volatile market environment, the Company achieved revenue of US$166.8 million (equivalent to approximately RMB1.2 billion), representing a year-on-year decrease of 8%.

In terms of the hydrogen energy business, the "R&D and Industrialization of Off-grid High-performance Alkaline Hydrogen Generation Equipment" project by Hua Xia Hydrogen Technology Co., Ltd. ("**Huaxia Hydrogen**") won the gold prize out of 450 global projects worldwide in the TERA-Award Smart Energy Innovation Competition jointly organized by the Hong Kong and China Gas Company Limited and CHN Energy, marking that the Company's off-grid hydrogen production technology has reached an industry-leading level. At the same time, the Company successfully qualified as a supplier for the 2024 centralized procurement project of hydrogen production equipment by China Energy Engineering Group (CEEC), signifying that Huaxia Hydrogen has entered the ranks of mainstream hydrogen production equipment enterprises.

In terms of the marine equipment support business, the sail products have been implemented successfully. Through collaboration with BAR Tech, the Company has successfully developed wing shaped rigid sails specifically designed for bulk carriers and oil tankers, and the Company has signed sales orders for over ten sets of sails with Shanghai Waigaoqiao Shipbuilding Co., Ltd., Yangzijiang Shipbuilding Group and Wuhu Shipyard Co., Ltd in 2024, and reached intent of cooperation with national renowned shipyards such as China COSCO Shipping Corporation Limited and Xiamen Shipbuilding Industry Co., Ltd.. The sail assembly commencement ceremony was successfully held in Haimen in October 2024. The green fuel supply equipment were smoothly implemented. Starting from June 2024, CM Energy and China Merchants Jinling Shipyard (Yangzhou) Co., Ltd. jointly established a new energy joint R&D center through Group internal collaboration, which brings together the quality resources of both parties and focus on the field of new energy equipment, particularly the joint R&D and project execution of cutting-edge technologies such as green fuel supply systems.

For the overseas market, the project with Petróleos Mexicanos (PEMEX) has successfully entered execution stage. The production and delivery of the first and second rig of the land drilling rig project have been completed successfully, with all technical parameters meeting customer requirements and receiving customer approval. PEMEX has made further upgrade contracts for top drive, catwalk machine and drilling rig on top of the original contract.

In terms of technological innovation, in 2024, the deployment and recovery system of the A-frame for submerged mining trucks and the 3 dimensional active compensation gangway completed 2 offshore tests and are successful, indicating substantial progress of research and development work; the marine hybrid power system have been developed and applied; the flexible hydrogen production power device prototype has completed design and production, and the plume monitoring equipment and the deployment A-frame system, deep-sea power projects have been successfully delivered. At the same time, in terms of clean fuel supply systems, we have undertaken the research and development, production and market promotion of China Merchants Industry Holdings Co., Ltd. ("**CM Industry**")'s LNG, methanol supply systems and other green energy supply systems such as ammonia and hydrogen, providing strong support for the implementation of China Merchants Group Limited ("**CM Group**")'s dual carbon project strategy and the national green energy development.

The development of the Company is inseparable from its talents. In terms of talent development, CM Energy closely aligns with CM Group's "Third Entrepreneurship" development strategy and high-quality development requirements, positioning itself as a leader and pioneer in the Group's technological innovation and strategic emerging industries, building a high-quality, professional and innovative talent team to create a new scenario in talent development during the new development phase of CM Energy, providing strong talent support for the implementation of the Company's strategy.

In the global narrative of carbon neutrality, the Company will anchor on technological innovation and leverage on scenario empowerment to continuously deepen its capabilities in "green energy + smart equipment", creating long-term value for shareholders, customers and society, and write a new chapter of high-quality sustainable development.

FINANCIAL REVIEW

	2024	2023	Increase/(decrease)	
	US$'000	*US$'000*	US$'000	%
Revenue	**166,773**	181,337	(14,564)	(8.0)
Gross profit	**41,479**	40,997	482	1.2
Gross profit margin	**24.9%**	22.6%		
Profit from operations	**14,133**	14,158	(25)	(0.2)
Net profit attributable to owners	**9,160**	9,502	(342)	(3.6)
Profit for the year	**9,194**	9,609	(415)	(4.3)
Net profit margin	**5.5%**	5.3%		
Earnings per share (Basic and diluted)	**US0.29 cent**	US0.30 cent	US(0.01) cent	(3.3)

Segment Information by Business Segments

	2024		2023		Increase/(decrease)	
	US$'000	*%*	*US$'000*	*%*	*US$'000*	*%*
Equipment manufacturing and packages	**86,562**	**51.9**	101,374	55.9	(14,812)	(14.6)
Supply chain and integration services	**25,755**	**15.4**	29,089	16.0	(3,334)	(11.5)
Assets management and engineering services	**54,456**	**32.7**	50,874	28.1	3,582	7.0
Total revenue	**166,773**	**100.0**	181,337	100.0	(14,564)	(8.0)

The Group's overall revenue for 2024 was approximately US$166.8 million, a decrease of US$14.6 million or approximately 8% as compared to US$181.3 million for last year. The decrease was mainly driven by the decrease in the equipment manufacturing and packages and supply chain and integration services business.

Equipment Manufacturing and Packages

Revenue recognised in equipment manufacturing and packages projects decreased by 14.6% from US$101.4 million in 2023 to US$86.6 million in 2024 mainly attributable to a significant reduction in wind power business, resulting in an overall amount lower than last year.

Supply Chain and Integration Services

The decrease of 11.5% from US$29.1 million in 2023 to US$25.8 million in 2024 for supply chain and integration services was mainly due to a decrease in the orders completed and delivered during the year compared with the preceding year, and part of the newly signed orders in the Mexico market are still in progress, and have not yet completed and delivered.

Assets Management and Engineering Services

Assets management and engineering services revenue increased from US$50.9 million in 2023 to US$54.5 million in 2024, representing an increase of 7%, which was mainly due to the increase in daily rate of diving support construction vessels.

Segment Information by Geographical Regions

	2024		2023		Increase/(decrease)	
	US$'000	***%***	*US$'000*	*%*	*US$'000*	*%*
Hong Kong Special Administrative Region	**45**	**0.0**	36	0.0	9	25.0
Mainland China	**78,879**	**47.3**	116,921	64.5	(38,042)	(32.5)
North America	**5,205**	**3.1**	4,914	2.7	291	5.9
South America	**46,113**	**27.7**	17,738	9.8	28,375	160.0
Europe	**2,649**	**1.6**	3,831	2.1	(1,182)	(30.9)
Singapore	**229**	**0.1**	13,195	7.3	(12,966)	(98.3)
Indonesia	**1,046**	**0.6**	2	0.0	1,044	52,200.0
Middle East	**29,687**	**17.8**	20,097	11.1	9,590	47.7
Others	**2,920**	**1.8**	4,603	2.5	(1,683)	(36.6)
Total revenue	**166,773**	**100.0**	181,337	100.0	(14,564)	(8.0)

Gross Profit and Gross Profit Margin

The gross profit was US$41.5 million in 2024, representing an increase of US$0.5 million from US$41.0 million for last year. Gross profit margin increased from 22.6% in 2023 to 24.9% in 2024. The increase was mainly due to high profit margin contribution from land rig equipment and services and drop in provisions for inventories during the year.

Other income, gains and losses, net

Other income, gains and losses, net decreased from US$4.2 million in 2023 to US$2.7 million in 2024. Such income includes bank interest income, finance income from lease receivables, net foreign exchange, government grant, rental income, and gain arising from early termination of existing lease.

Selling and Distribution, General and Administrative Expenses

Selling and distribution, general and administrative expenses increased by approximately 2.3% from US$28.0 million in 2023 to US$28.6 million in 2024. This increase was mainly due to the growth in the size of the business which led to an increase in business activities.

Other Expenses

Other operating expenses decreased from US$0.8 million in 2023 to US$0.2 million in 2024. The decrease was mainly due to a decrease in miscellaneous expenses.

Finance Costs

Finance costs, mainly interest on lease liabilities, remained the same at US$0.1 million in both 2023 and 2024.

Share of results of associates

Share of results of associates amounted to US$0.1 million in 2023 whereas a loss of US$1.9 million was recorded in 2024, which was mainly due to operating losses incurred by the associates in 2024.

Group's Liquidity and Capital Resources

As at 31 December 2024, the Group carried tangible assets of approximately US$32.4 million (2023: US$54.6 million) being right of use assets, property, plant and equipment and investment properties. The Group's goodwill was approximately US$0.4 million (2023: US$0.4 million).

As at 31 December 2024, the Group's intangible assets were approximately US$1.4 million (2023: US$1.7 million). As at 31 December 2024, the Group's interest in associates was approximately US$15.3 million (2023: US$16.5 million), and deferred tax assets was approximately US$1.6 million (2023: US$1.9 million).

As at 31 December 2024, the Group's current assets amounted to approximately US$257.1 million (2023: US$244.9 million). Current assets mainly comprised inventories of approximately US$37.2 million (2023: US$40.0 million), trade and other receivables of approximately US$101.8 million (2023: US$110.5 million), and lease receivables (current) of approximately US$33.3 million (2023: US$15.5 million).

As at 31 December 2024, pledged bank deposits amounted to approximately US$0.8 million (2023: US$5.5 million) and cash and cash equivalents amounted to approximately US$84.1 million (2023: US$73.4 million).

As at 31 December 2024, current liabilities amounted to approximately US$127.5 million (2023: US$128.3 million), mainly comprised trade and other payables of approximately US$50.8 million (2023: US$60.2 million), and tax payable of approximately US$3.2 million (2023: US$4.3 million). Contract liabilities amounted to US$28.2 million (2023: US$34.2 million) and current lease liabilities amounted to approximately US$45.4 million (2023: US$29.7 million).

As at 31 December 2024, the Group had non-current liabilities of approximately US$3.6 million (2023: US$22.1 million), mainly representing non-current portion of lease liabilities. The Group monitors capital with reference to its debt position. The Group's strategy is to maintain a sound gearing ratio, being the Group's total liabilities to total assets. The gearing ratio as at 31 December 2024 was 42.2% (2023: 46.1%).

Significant Investment, Acquisition and Disposals

During the year ended 31 December 2023, the Group decided to make additional investment in Huaxia Hydrogen, a company established in the PRC with limited liability and mainly engaged in research and development, manufacturing and sales of alkaline electrolysis tank hydrogen production equipment and key materials, at a consideration of RMB58,200,000 (equivalent to approximately US$8,200,000). The Group's shareholding in this company increased to 42.0% from approximately 33.0%. The Group contributed RMB48,200,000 (equivalent to approximately US$6,603,400) in 2024 and RMB10,000,000 (equivalent to approximately US$1,370,000) in February 2025 to complete the full capital injection.

Save as disclosed above, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures as well as any significant investments during the year ended 31 December 2024.

Capital Structure

At 31 December 2024, there were 3,243,433,914 shares issued and the Company carried a share capital of approximately US$41,418,000. There was no issue of shares during the year.

Foreign Currency Exchange Exposures

The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The Group has foreign exchange exposure resulting from most of the Group's subsidiaries in the PRC carrying out production locally using Renminbi while majority of the Group's revenue was denominated in US$. As at 31 December 2024 and 31 December 2023, no related hedges were made by the Group.

In order to mitigate foreign exchange exposure, the Company may utilise foreign currency forward contracts to better match the currency of its revenues and associated costs of the Company in the future. However, the Company does not use foreign currency forward contracts for trading or speculative purposes. The Group will actively explore ways to hedge or reduce currency exchange risk in future.

Charge on Group's Assets

As at 31 December 2024, except for the pledged deposits, the Group's investment properties of approximately US$1,038,000 were pledged as security for the Group's banking facilities of approximately RMB24,270,000 (equivalent to approximately US$3,325,000). The aforesaid banking facilities was unutilised as at 31 December 2024.

Contingent Liabilities

As at 31 December 2024, there was no significant contingent liabilities.

Employees and Remuneration Policy

As at 31 December 2024, the Group had a total of 538 full-time staff in the United States, the United Kingdom, Brazil, Mexico, Singapore, Middle East, Hong Kong and Mainland China. The Group's remuneration policy is determined by the salary levels in different regions, employee rank and performance and the market conditions. The Group also provides other benefits to all of its employees, including medical schemes, pension contribution schemes, share award incentive schemes, etc.

The Directors' remuneration shall be determined by the Board with the recommendation of the remuneration committee of the Company with reference to the prevailing market rate, experience, qualifications, performance and contribution and commitments of the Directors to the Company, the performance of the Group and is reviewed from time to time.

MARKET REVIEW AND PROSPECTS

Market Analysis of the Industry

1. ***Macroeconomics***

   In 2024, the global economy showed a growth trend but at a slower pace compared to pre-pandemic levels. Different economies exhibited divergent performances, with overall inflation on a downward trend but still facing uncertainties, and international trade experienced some recovery.

The World Bank predicted that the global economic growth rate will stabilize at 2.6% in 2024, and slightly rise to an average of 2.7% in 2025-2026, which is below the pre-pandemic average level of 3.1% over the past decade. The average growth rate of developing economies for 2024-2025 will be 4%, slightly lower than 2023; and the economic growth rate of developed economies will stabilize at 1.5% in 2024 and rise to 1.7% in 2025.

The International Monetary Fund (IMF) believes that the world economy will continue to grow at a rate of 3.2% in 2024 and 2025, remaining unchanged from 2023. Developed economies will slightly accelerate, with growth rates expected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025; and the growth rate of emerging markets and developing economies is expected to decrease from 4.3% in 2023 to 4.2% in 2024 and 2025.

2. Oil market

In 2024, global economic growth remains stable but lackluster, with weak oil consumption demand combined with increasing oil supply leading to an increasingly imbalanced international oil market. Under multiple factors, there is little upward momentum for oil prices. The average price of Brent crude oil futures for the year was US$79.77 per barrel, a decrease of US$2.39 from US$82.16 per barrel in 2023, representing a decrease of 2.9%. The average price of WTI futures for the year was US$75.72 per barrel, a decrease of US$1.85 from the average price in 2023, representing a decrease of 2.38%.

Looking ahead to 2025, it is expected that the international oil market supply and demand will become more imbalanced, and international oil prices will continue the trend of the previous year, facing greater downward pressure. In terms of demand, based on the latest forecasts from the three major energy research institutions, global oil consumption demand in 2025 is expected to grow by approximately 1 million barrels per day, remaining roughly the same as in 2024. The EIA's latest "Short-Term Energy Outlook" report forecasts that the average price of WTI crude oil in 2025 will be US$69.12 per barrel, and the average price of Brent crude oil will be US$73.58. Goldman Sachs and other investment institutions have a relatively optimistic forecast, expecting oil prices to remain around US$76 per barrel in 2025.

3. Offshore market

Due to the relatively stable international oil prices, oil and gas extraction activities remain active, and the global utilization rate of jack-up rigs and floating rigs continues to be stable at around 90%. However, due to unforeseen reasons, the momentum of rent growth weakened by the end of 2024.

In terms of supply, the current global fleet of drilling rigs stands at 825 units, representing a decrease of 24.7% from its peak, primarily due to the completion of deliveries for the backlog of drilling rig orders. As of June 2024, global shipyards have only 34 drilling rig orders on hand, leading to a situation of insufficient supply in the market, which has resulted in the full utilization of existing rigs. However, in 2024, Saudi Arabian Oil Company temporarily suspended drilling services for approximately 32 drilling rigs from companies including China Oilfield Services Limited (COSL), ADES Holding Company (ADES), and Shelf Drilling Ltd. in three batches, which brought slight downward pressure on the drilling rig operation market and somewhat affected the further improvement of utilization rates.

According to Clarkson's data, by the end of December 2024, the jack-up rig global utilization rate was 91%, representing an increase of 2% year-on-year. The overall utilization rate for the year remained stable at a relatively high level, reflecting strong market demand for this type of rig. The utilization rate of floating rig was 89%, remaining the same year-on-year, and has also remained stable at a relatively high range throughout the year.

In terms of rent, the average daily rent for jack-up rigs for the year was US$123,000 per day, representing an increase of 26.7% compared to the average over the past decade, but a slight decrease of 10% from the peak in 2024. In the first half of 2024, the rental index increased by 16% year-on-year, with rents for the year showing a growth trend in the early period. However, due to unexpected factors such as Saudi Arabian Oil Company suspending leases, the momentum of rent growth weakened towards the end of the year. The average daily rent for floating rigs last year was US$323,000 per day, representing an increase of 61.1% compared to the average of the past decade, but a slight decrease of 2% from the peak in 2024. In the first half of 2024, the rental index increased by 14% year-on-year. The trend in rental changes was similar to that of jack-up rigs, with initial growth followed by insufficient growth momentum due to sudden increase in market supply.

In terms of rig asset prices, as at the end of December 2024, the second-hand transaction prices for 305-foot jack-up rigs and sixth-generation floating rigs with an age of 5-10 years were US$95 million and US$160 million respectively, representing increases of 110% and 63% from early 2022, reflecting a high level of market interest and investment enthusiasm in offshore drilling rig assets.

Overall, in 2024, the offshore drilling market, after years of adjustment, has seen a significant improvement in the supply-demand relationship, with rig utilization rates and rental rates at relatively high levels. However, it has also been affected by factors such as strategic adjustments by Saudi Arabian Oil Company. In the long term, if investment in offshore oil and gas development projects continues to increase, the demand for offshore drilling rigs is expected to further increase, and the market outlook is relatively optimistic.

4. Hydrogen energy market

In 2024, driven by factors such as policy support and technological advancements, the global and Chinese hydrogen energy markets made certain progress. However, challenges remain in aspects such as cost control, technological innovation and infrastructure improvement, requiring joint efforts from all parties to promote the sustainable development of the hydrogen energy industry in the future.

At the beginning of 2024 during the Two Sessions of China, hydrogen energy was included in the government work report for the first time. The report explicitly proposed to "accelerate the development of frontier emerging industries such as hydrogen energy, new materials and innovative drugs, and actively forge new growth engines such as biomanufacturing, commercial aerospace and low-altitude economy". This is the first time that the central government has emphasized the need to accelerate the development of the hydrogen energy industry in the national annual economic development plan, indicating the nation's emphasis on hydrogen energy as a cutting-edge emerging industry, and positioning it as a key development industry for building a new energy system, with an aim to promote the accelerated development of the hydrogen energy industry and to help it play a greater role in economic development and energy transition. In addition, last year, a total of 22 provincial-level administrative regions included hydrogen energy in their government work reports, with each region actively developing hydrogen energy from different focal points.

In 2024, hydrogen energy projects experienced a boom. According to statistics, since 2024, China Energy Engineering Group Co., Ltd, State Power Investment Corporation Limited (SPIC), China Energy Investment Corporation Co., Ltd., China Huadian Corporation Ltd., China Huaneng Group Co,. Ltd, China Three Gorges Corporation, Shenzhen Energy Corporation, Ningxia Baofeng Energy Group Co., Ltd., Shuimu Mingtuo Hydrogen Energy Technology Co., Ltd, Envision Group have all been advancing green hydrogen projects, with a total project investment amount exceeding RMB200 billion. The price of hydrogen power electrolysis tanks has significantly declined due to technological advancements and the expansion of corporate production capacity. Currently, the selling price of alkaline electrolysis tanks for 1,000Nm^3/h in the Chinese market has dropped to around RMB5 million, signifying intense competition and severe internal competition. Therefore, many Chinese companies are turning their attention to overseas markets. For example, Jiangsu Trina Green Hydrogen Technology Co,. Ltd. signed a cooperation agreement with the Australian local energy company, LINE Hydrogen (Australia) Pty Ltd; Xi'an LONGi Hydrogen Technology Co., Ltd. invested in the Norwegian green hydrogen company, HydrogenPro ASA; and Sunshine Hydrogen Technology Co., Ltd signed a strategic cooperation agreement with Germany's TÜV Rheinland.

Despite policy support, the construction of hydrogen energy support infrastructure such as hydrogen refueling stations, which require significant investment yet yield low returns, has not experienced a construction boom. Instead, some regions have seen a wave of closures of hydrogen refueling stations. Beijing has more than thirty hydrogen refueling stations planned, but only seven or eight are actually in operation. Overseas hydrogen refueling stations are also facing the threat of closure. In February 2024, Shell announced the permanent closure of its seven hydrogen refueling stations for light vehicles in California, USA, retaining only three stations serving heavy hydrogen energy vehicles.

The first "Energy Law", officially implemented since 1 January 2025, has for the first time explicitly included hydrogen energy in the energy management system. This milestone measure formally establishes the important status of hydrogen energy in China's energy sector. Last year, the Ministry of Industry and Information Technology, the National Development and Reform Commission, and the National Energy Administration jointly issued the "Implementation Plan for Accelerating the Application of Clean and Low-Carbon Hydrogen in the Industrial Sector", which outlined a clear roadmap for the industrial application of hydrogen energy, specifying that by 2027, clean and low-carbon hydrogen will achieve large-scale application in key industries such as metallurgy, ammonia synthesis, methanol synthesis, and refining, undoubtedly expanding the market space greatly for hydrogen energy.

Development Strategy of the Company

In 2025, the Company will focus on the "hydrogen, engineering, electricity and services" industry layout according to the five-year strategic plan, with green energy terminal products as the core, highlighting technological attributes and forging core technologies in fields such as hydrogen-based energy, high-end equipment, and intelligent electrical control, with the aim of improving energy conversion efficiency and reducing carbon emissions, concentrating on excellent operations and quality manufacturing on a global scale. In terms of traditional business, in the upward cycle of shipbuilding, we will strengthen synergy with shareholder companies and the penetration rate of shipbuilding and offshore supporting products, and continue to serve green intelligent manufacturing. At the same time, we will focus on the transformation and upgrading of existing business, new product development, and addressing the technology "bottlenecks" of core products, improving independent design capabilities, exploring products with weak cyclicality and low risk, stabilizing the supply chain and reducing supporting costs. In terms of emerging business, we will accelerate the layout of new areas and new tracks for value creation, realize orders for hydrogen production equipment, hydrogenation equipment and green energy as soon as possible, seize market resources and develop commanding heights, and hope to gain more opportunities and advantages in the competition.

In terms of the hydrogen-based energy industry layout, we will solidify the attributes of new energy enterprises. CM Green Energy primarily engages in project operation, focusing on businesses such as green energy project investment, green energy production and operation, as well as green energy trading. Huaxia Hydrogen primarily engages in equipment research and production, focusing on businesses such as hydrogen production equipment, core component research and development, and hydrogen production system testing services. The Company will focus on the two starting points of "hydrogen production" and "hydrogen-based fuel" to form core competitiveness in the market at the equipment end and industrial end, develop hydrogen, methanol, ammonia, as well as small and medium-sized hydrogen production plant projects to set up upstream and downstream resources in the industrial chain, commit to the overseas strategy, leveraging its existing mature overseas network to track local hydrogen production project opportunities, and considering models such as "domestic production + overseas assembly" or direct overseas production when necessary. We will do a good job in the reserve and accumulation of potential future technologies: research and reserve related technologies such as offshore hydrogen production and storage, and methanol/ammonia production.

In terms of high-end equipment, we will continue to expand our product lines, continue to be based on offshore engineering and shipbuilding and offshore supporting products, seizing the upward cycle of shipbuilding, expanding the spectrum of offshore supporting products, and provide shipowners and shipyards with comprehensive full-cycle low-carbon/zero-carbon solutions, promote the scale of equipment manufacturing development, continue to expand the field of shipbuilding and offshore supporting, and continue to make efforts in liftboat, offshore wind power installation ships, operation and maintenance mother ships, and key equipment of other ship types, etc., target the recovery opportunities in the traditional oil and gas energy market, gradually restore the original team's design, manufacturing and service capabilities for offshore drilling rigs to prepare for potential orders, develop new energy and low-carbon product production lines, targeting products such as marine sails, carbon dioxide capture, mass production of electrolysis tanks and hydrogen-based fuel supply systems, gradually developing serialized, large-scale, long-term products to solidify and enrich the product list of CM Energy. At the same time, based on the original electronic control field, we will seize the market's hot tracks and find breakthroughs in combining with electric power control with fields such as AI technology, big data, cloud computing, low-altitude, biomanufacturing and green technology to rapidly complete transformation and upgrading.

In terms of global services, with the aim of "serving the global market, serving energy transition, and serving value creation", we focus on marine services, maintenance services and asset management services to establish a solid global service center, using overseas new energy projects as an entry point to drive domestic new energy equipment orders, and actively construct an overseas green fuel trade system, use traditional businesses such as oil and gas engineering and services as a foundation, with the principles of substantial returns and controllable risks, to deeply cultivate localized oil and gas engineering businesses and ensure the overseas revenue foundation, while also driving orders for traditional oil and gas products from China Merchants TSC Offshore Tech Ltd. and TSC-HHCT Control and Drive Technology Co., Ltd.. We will also explore and develop new technologies, new products and new services for carbon reduction and emission reduction in traditional oil and gas engineering businesses.

Advantages in Resources of CM Energy

With years of engagement in the oil and gas, offshore and marine support industries, CM Energy has addressed many technology and equipment "bottlenecks" in the industry. It has accumulated experiences in product design, manufacturing, engineering management and technical support, leading the industry in the aspects of deck cranes, lifting devices, drilling rigs and electronic control systems, and receiving the long-term trust of customers thanks to its reliable and efficient quality. CM Energy owns a comprehensive system for production base, production organization and quality control, which allows rapid commercial production of new high-end equipment and products. In terms of operation and maintenance services, CM Energy has the capability and experience in product operation and maintenance in various onshore and offshore scenarios at home and abroad, which is conducive to the establishment and improvement of new product operation and maintenance service system as well as the provision of product operation and maintenance service support. In terms of marketing, as CM Energy has been operating in Europe, North America, Southeast Asia, the Middle East and Latin America and other hotspots for new energy for years, it has extensive market resources and customer pipelines to quickly launch international sales of its products

CM Group's business primarily involves four major sectors: transportation and logistics, comprehensive finance, real estate and industrial parks, and technology and innovation industries. Currently, CM Group is anchoring its goal of becoming an innovation-driven, international, comprehensive world-class enterprise, accelerating the advancement of the "third entrepreneurship", vigorously promoting the transformation and upgrading of traditional industries, accelerating the shift towards both ends of the "smile curve", actively cultivating and developing strategic emerging industries, and constructing a high-quality sustainable development "Malik curve." In the future, CM Energy will actively coordinate internal resources of CM Group to enhance the development of application scenarios in ports, transportation, logistics and shipping. In terms of equipment manufacturing, CM Energy will leverage the resources of CM Industry in the shipbuilding market to vigorously develop businesses such as marine support, hydrogen-based energy and intelligent electrical control, creating continuous order income. In terms of finance, CM Energy will continue to deepen its cooperation with the financial sector within CM Group, promoting the model of financing to support production to more projects. In 2024, according to the strategic plan of CM Group, CM Industry, the controlling shareholder of CM Energy, is incorporated into the Group's technology and innovation industry sector. In the future, CM Energy will assist CM Industry in actively planning breakthroughs in strategic emerging industries, advancing the investment layout of hydrogen-based green energy, and focusing on core marine equipment support to create a supporting product system with CM Industry characteristics and industry-leading capabilities.

Plans for Future Material Investments, Assets and Capital Integration

In terms of future investment direction, the Company will mainly focus on the development of green energy terminal products. Based on the principle of "small investment and controlled risk", the Company will focus on the hydrogen-based fuel production process and the upstream investment opportunities of hydrogen-based fuel, and combine the upstream and downstream industry chain to integrate the relevant resources. In terms of project investment, in 2025, we will focus on the development of green methanol/green hydrogen projects, and participate in the introduction of technology, later-stage operations of the projects and green fuel trade by way of equity investment, driving market orders for hydrogen production equipment and gradually increasing the proportion of green energy business scale. In terms of capital introduction, we will continue to play into the layout of hydrogen production equipment industry company, actively introduce social capital, and continue to incubate hydrogen production equipment and technology to build core competitive advantages in the market, striving to form large-scale market orders and gradually enhance commercial value and product value in the capital market. In terms of transforming traditional businesses, the Company will seize the upward cycle window of the shipbuilding industry, using the existing "engineering" and "electricity" businesses as a foundation, to seek potential opportunities to expand business scale and product variety, increase investment in technological innovation and research and development, enhance the technological content of the enterprise, and promote energy saving and carbon reduction in the ship market. In terms of consolidating global services, we will continue to close down inefficient production and businesses formed due to historical reasons, and focus on expanding marine services, gradually expand overseas service outlets, and build a new ecosystem customer circle covering green energy, marine industry, and oil and gas sectors to meet the service support demand of CM Energy's new products going overseas, while continuing to expand overseas market product sales channels.

In assessing the potential investment or acquisition targets, the Company will consider a combination of factors such as alignment with the Company's strategic plans, synergies, market position and strengths, management team capability, valuation, track record, financial performance and potential growth, etc. The Company will gradually improve its financial performance through expanding its business direction and creating a new profit model, so as to provide a firm basis for future growth in results

DIVIDEND

The Board proposed to declare a final dividend of HK$0.01 per share, totalling approximately HK$32,434,339 for the year ended 31 December 2024 (2023: Nil). The proposed final dividend is subject to approval by the shareholders of the Company at the annual general meeting scheduled to be held on 16 May 2025 (the "**AGM**").

Subject to the passing of the resolution for the proposed final dividend at the AGM, the final dividend is expected to be paid on or before Friday, 20 June 2025 to the shareholders whose names appear on the register of members of the Company on Monday, 2 June 2025. The final dividend will be paid in HK$.

CLOSURES OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 13 May 2025 to Friday, 16 May 2025, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfer documents, accompanied by the relevant share certificates, must be duly completed and lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 12 May 2025.

To determine the entitlement of the shareholders to receive the proposed final dividend, subject to the shareholders' approval on the proposed final dividend at the AGM, the register of members of the Company will also be closed from Wednesday, 28 May 2025 to Monday, 2 June 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to receive the proposed final dividend, all transfer share documents accompanies by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later then 4:30 p.m. on Tuesday, 27 May 2025.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standards of dealings as set out in the Model Code for Securities Transactions by the Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standards of dealings as set out in the Model Code throughout the year ended 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance practices to ensure transparency so that the interests of our shareholders and the cooperative development among customers, employees and the Group can be safeguarded. The Company has adopted the code provisions of the Corporate Governance Code ("**CG Code**") set out in Appendix C1 to the Listing Rules. For the year ended 31 December 2024, the Company has complied with all the code provisions of the CG Code.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company has reviewed the Group's annual results for the year ended 31 December 2024. 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 this announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 26 March 2025. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by SHINEWING (HK) CPA Limited on this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

On 30 December 2024, the Company and China Merchants Innovation and Technology (Hong Kong) Co., Limited (the "**Subscriber**", a wholly-owned subsidiary of China Merchants Group (招商局集團), a controlling shareholder of the Company) entered into a subscription agreement, pursuant to which the Company has conditionally agreed to issue and allot, and the Subscriber has conditionally agreed to subscribe for, 1,621,717,000 shares at the price of HK$0.20 per share for a total consideration of HK$324,343,400 in cash (the "**Share Subscription**"). The ordinary resolutions approving the Share Subscription and the specific mandate were passed at the extraordinary general meeting of the Company held on 28 February 2025. Completion of the Share Subscription has not taken place as at the date of this announcement.

During the year, save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

Subsequent to 31 December 2023, pursuant to the terms of the rules and trust deed of the share award plans adopted by the Company in 2015 (amended in 2025) and 2019 respectively (the "**2015 and 2019 Share Award Plans**"), the trustee of the 2015 and 2019 Share Award Plans did not purchase any shares on the Stock Exchange. As at the date of this announcement, the trustee held a total 70,499,000 shares (representing approximately 2.17% of the issued share capital of the Company) under the 2015 and 2019 Share Award Plans.

EVENTS AFTER THE PERIOD

On 14 January 2025, the Company has amended the Company's share award plan adopted on 16 January 2015 (the "**Share Award Plan**"), in order to, among others, extend the term of the Share Award Plan for a period of 10 years commencing from 14 January 2025 (the "**Amendment Date**") and ending on 13 January 2035. The maximum number of shares to be purchased by the trustee shall not exceed 5% of the issued share capital of the Company as at the Amendment Date, i.e. 162,171,695 shares throughout the term of the Share Award Plan. Details of the said amendment can be found in the Company's announcement dated 14 January 2025.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Company (http://www.cm-energy.com/) and the Stock Exchange (http://www.hkexnews.hk). An annual report of the Company for the year ended 31 December 2024 containing all information required by the Listing Rules will be dispatched to shareholders of the Company and made available on the abovementioned websites in due course.

By the order of the Board
CM Energy Tech Co., Ltd.
Mei Xianzhi
Chairman

Hong Kong, 26 March 2025

As of the date of this announcement, the Board comprises one (1) executive Director, namely Mr. Zhan Huafeng; five (5) non-executive Directors, namely Mr. Mei Xianzhi, Mr. Liu Jiancheng, Mr. Tam Wing Tim, Mr. Zhang Xizheng and Mr. Zhang Menggui, Morgan; and three (3) independent non-executive Directors, namely Mr. Zou Zhendong, Ms. Zhang Zhen and Mr. Xue Jianzhong.