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XINDA INVESTMENT HOLDINGS LIMITED

鑫達投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1281)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024 AND CHANGE OF COMPANY WEBSITE ADDRESS

The board (the “**Board**”) of directors (the “**Directors**”) of Xinda Investment Holdings Limited (the “**Company**”) announces the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”) together with the comparative figures for the year ended 31 December 2023 as follows:

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	<i>Notes</i>	2024 RMB’000	2023 RMB’000
Revenue	3(a)	114,231	114,030
Cost of sales	4	(83,579)	(89,176)
Gross profit		30,652	24,854
Selling and distribution expenses	4	(176)	(219)
Administrative expenses	4	(16,877)	(20,937)
Impairment losses on non-financial assets	4	(33,322)	(58,794)
(Impairment losses)/reversal of impairment losses on financial assets	5	(18,653)	5,012
Other income		107	131
Other gains — net	6	1,511	1,654
Operating loss		(36,758)	(48,299)

Consolidated Statement of Profit or Loss (Continued)*For the year ended 31 December 2024*

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		3,823	3,304
Finance expenses		<u>(9,376)</u>	<u>(9,884)</u>
Finance expenses — net		(5,553)	(6,580)
Share of net profit of associates accounted for using the equity method		<u>—</u>	<u>30,520</u>
Loss before income tax		(42,311)	(24,359)
Income tax credit	7	<u>1,383</u>	<u>3,958</u>
Loss for the year		<u>(40,928)</u>	<u>(20,401)</u>
Loss for the year is attributable to:			
Owners of the Company		(24,418)	(18,179)
Non-controlling interests		<u>(16,510)</u>	<u>(2,222)</u>
		<u>(40,928)</u>	<u>(20,401)</u>
Loss per share for loss attributable to owners of the Company (RMB):			
Basic	8	<u>(0.0164)</u>	<u>(0.0122)</u>
Diluted	8	<u>(0.0164)</u>	<u>(0.0122)</u>

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Loss for the year	(40,928)	(20,401)
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of financial statements of foreign operations	<u>(2,492)</u>	<u>5,516</u>
Other comprehensive income for the year, net of tax	<u>(2,492)</u>	<u>5,516</u>
Total comprehensive income for the year	<u>(43,420)</u>	<u>(14,885)</u>
Total comprehensive income for the year attributable to:		
Owners of the Company	(26,910)	(12,663)
Non-controlling interests	<u>(16,510)</u>	<u>(2,222)</u>
	<u>(43,420)</u>	<u>(14,885)</u>

Consolidated Statement of Financial Position

As at 31 December 2024

		2024	2023
	Notes	RMB'000	RMB'000
Assets			
Non-current assets			
Property, plant and equipment		284,692	341,541
Right-of-use assets		12,566	14,121
Intangible assets		64,861	67,441
Investment properties		5,194	5,355
Deferred tax assets		3,593	3,245
Investments accounted for using the equity method		—	—
Deposits	11	23,570	23,570
Other non-current assets		<u>9,058</u>	<u>9,063</u>
Total non-current assets		<u>403,534</u>	<u>464,336</u>
Current assets			
Inventories		2,954	4,864
Contract assets	9	171,215	184,360
Trade and other receivables	11	269,477	255,288
Other financial assets at amortised cost	10	—	—
Restricted cash		1,885	38
Time deposits with original maturity over three months		177,934	—
Cash and cash equivalents		<u>41,649</u>	<u>227,705</u>
Total current assets		<u>665,114</u>	<u>672,255</u>
Total assets		<u>1,068,648</u>	<u>1,136,591</u>
Equity and liabilities			
Share capital		12,255	12,255
Reserves		1,151,125	1,152,005
Accumulated losses		<u>(342,185)</u>	<u>(316,155)</u>
Equity attributable to owners of the Company		821,195	848,105
Non-controlling interests		<u>(13,202)</u>	<u>3,308</u>
Total equity		<u>807,993</u>	<u>851,413</u>

Consolidated Statement of Financial Position (Continued)

As at 31 December 2024

		2024	2023
	Note	RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Borrowings		90,600	133,600
Lease liabilities		11,913	10,485
Deferred government grants		1,745	1,852
Deferred tax liabilities		15,015	15,783
Contract liabilities		<u>19,732</u>	<u>20,451</u>
Total non-current liabilities		<u>139,005</u>	<u>182,171</u>
Current liabilities			
Trade and other payables	12	58,070	52,705
Contract liabilities		7,944	8,902
Current tax liabilities		11,750	11,732
Borrowings		43,000	26,900
Lease liabilities		<u>886</u>	<u>2,768</u>
Total current liabilities		<u>121,650</u>	<u>103,007</u>
Total liabilities		<u>260,655</u>	<u>285,178</u>
Total equity and liabilities		<u><u>1,068,648</u></u>	<u><u>1,136,591</u></u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. GENERAL INFORMATION

Xinda Investment Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 4 January 2011 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited since 12 January 2012.

The Company and its subsidiaries (together the “Group”) are principally engaged in smart energy business and public infrastructure construction business. For this reporting period, two major shareholders of the Company are Harvest Oak Holdings Limited and Lightway Power Holdings Limited. The ultimate beneficial owner of the Company is Mr. Wei Shaojun (the “Controlling Shareholder”).

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and Interpretations (collectively “IFRS Accounting Standards”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on a historical cost basis.

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Chinese Renminbi (“RMB”) rather than its functional currency of HK\$.

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

2.1 New standards, interpretations and amendments adopted by the Group

The Group has adopted all the new amendments which are effective for the Group’s accounting period beginning on or after 1 January 2024 throughout the year ended 31 December 2024.

Amendments to IAS 7 & IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants

None of these new amendments have a material impact on the Group’s results and financial position for the current or prior period except as described below.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

As a result of the adoption of the amendments to IAS 1, the amendments have no effect on the measurement of any items in the consolidated financial statements of the Group. However, the classification of the liability for the bank borrowings amounting to RMB17,900,000 has been changed from non-current to current as at 31 December 2024. No retrospective adjustment is necessary as a result of adopting the amendments to IAS 1.

2.2 New standards, interpretations and amendments not yet effective

The following published new standards and amendments to standards are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group:

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability ¹
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

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

Except for the IFRS18 stated below, these amendments to standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and subtotals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

	2024 RMB'000	2023 RMB'000
Sales of electricity	61,899	69,261
Sales of household solar power generation systems and rendering smart energy services	23,607	26,022
Public infrastructure construction	<u>28,725</u>	<u>18,747</u>
	<u>114,231</u>	<u>114,030</u>
<i>Timing of revenue recognition</i>		
At a point in time	73,465	80,988
Over time	<u>40,766</u>	<u>33,042</u>
	<u>114,231</u>	<u>114,030</u>

For the year ended 31 December 2024, revenue of approximately RMB28,725,000 (2023: RMB18,747,000) was derived from a single external customer, which exceeded 10% of the Group's total revenue. Such revenue was attributed to the public infrastructure construction business segment.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines (products and services). 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 presents the following two reportable segments:

- Smart energy business, and
- Public infrastructure construction business.

No geographical information is presented as substantially all of the Group's business activities were in the People's Republic of China (the "PRC").

(c) Reportable segment profit or loss, assets and liabilities

	Smart energy business <i>RMB'000</i>	Public infrastructure construction business <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Intersegment eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2024					
Revenue from external customers	85,506	28,725	—	—	114,231
Impairment losses on financial assets	(18,653)	—	—	—	(18,653)
Impairment losses on property, plant and equipment	(30,474)	—	—	—	(30,474)
Impairment losses on right-of-use assets	(2,848)	—	—	—	(2,848)
Loss on written-off on property, plant and equipment	(31)	—	—	—	(31)
Finance income	2,541	8	1,274	—	3,823
Finance expenses	(9,376)	—	—	—	(9,376)
Income tax credit	1,383	—	—	—	1,383
Loss for the year	(37,704)	(279)	(2,945)	—	(40,928)
Other information					
Depreciation and amortisation	(31,131)	—	(3)	—	(31,134)
Additions to non-current assets (Note)	(3,342)	—	—	—	(3,342)
As at 31 December 2024					
Reportable segment assets	919,052	211,305	366,745	(428,454)	1,068,648
Reportable segment liabilities	<u>514,467</u>	<u>173,014</u>	<u>1,628</u>	<u>(428,454)</u>	<u>260,655</u>

	Smart energy business <i>RMB'000</i>	Public infrastructure construction business <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Intersegment eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2023					
Revenue from external customers	95,283	18,747	—	—	114,030
Reversal of Impairment losses on financial assets	5,012	—	—	—	5,012
Impairment losses on property, plant and equipment	(50,960)	—	—	—	(50,960)
Impairment losses on goodwill	(7,298)	—	—	—	(7,298)
Impairment losses on right-of-use assets	(536)	—	—	—	(536)
Finance income	3,250	41	13	—	3,304
Finance expenses	(9,884)	—	—	—	(9,884)
Share of net profit of associates accounted for using the equity method	30,520	—	—	—	30,520
Income tax credit	3,672	286	—	—	3,958
Loss for the year	(348)	(15,727)	(4,326)	—	(20,401)
Other information					
Depreciation and amortisation	(35,038)	—	(45)	—	(35,083)
Additions to non-current assets (Note)	7,721	—	—	—	7,721
As at 31 December 2023					
Reportable segment assets	991,680	204,199	369,166	(428,454)	1,136,591
Reportable segment liabilities	<u>546,167</u>	<u>165,630</u>	<u>1,835</u>	<u>(428,454)</u>	<u>285,178</u>

Note: Additions to non-current assets exclude financial assets and deferred tax assets.

4. EXPENSES BY NATURE

Cost of sales, selling and distribution expenses, administrative expenses and impairment losses on non-financial assets in the consolidated statement of profit or loss are listed by nature as follows:

	2024 RMB'000	2023 RMB'000
Changes in inventories of finished goods	1,853	1,478
Subcontract costs	26,317	31,883
Heat supply costs	11,140	11,468
Employee benefit expense	12,802	13,707
Depreciation and amortisation	31,134	35,083
Consulting and legal fees	3,800	1,811
Repair and maintenance expenses	7,068	6,732
Transportation and travelling expenses	318	419
Short term lease expenses and low-value assets lease expenses	1,120	1,658
Impairment losses on non-financial assets	33,322	58,794
— property, plant and equipment	30,474	50,960
— right-of-use assets	2,848	536
— goodwill	—	7,298
Utilities	2,712	3,433
Auditor's remuneration		
— Audit services	1,285	1,500
— Non-audit services	180	200
Others	903	960
Total cost of sales, selling and distribution expenses, administrative expenses and impairment losses on non-financial assets	<u>133,954</u>	<u>169,126</u>

5. IMPAIRMENT LOSSES/(REVERSAL OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	2024 RMB'000	2023 RMB'000
Reversal of impairment losses on other financial assets measured at amortised cost	(8,621)	(929)
Provision for/(reversal of) impairment losses for trade and other receivables	<u>27,274</u>	<u>(4,083)</u>
	<u>18,653</u>	<u>(5,012)</u>

6. OTHER GAINS — NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net foreign exchange gains/(losses)	688	(2,549)
Net losses on written-off on property, plant and equipment	(31)	—
Net losses on disposal of property, plant and equipment	—	(15)
Gain on derecognition for portion of other financial assets measured at amortised cost settled by investment properties	—	5,369
Others	<u>854</u>	<u>(1,151)</u>
	<u><u>1,511</u></u>	<u><u>1,654</u></u>

7. INCOME TAX CREDIT

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax	267	1,177
Deferred income tax	<u>1,116</u>	<u>2,781</u>
	<u><u>1,383</u></u>	<u><u>3,958</u></u>

- (a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income taxes in these jurisdictions.
- (b) The Group did not make any provisions for Hong Kong profits tax as there were no assessable profits arising in Hong Kong during the year ended 31 December 2024 (2023: nil). As at 31 December 2024, the Group did not recognise deferred tax assets in respect of accumulated tax losses arising from the Group's entities in Hong Kong amounting to RMB56,597,000 (2023: RMB53,652,000).
- (c) For the year end 31 December 2024, the statutory income tax rate of entities within the Group registered in the PRC is 25% (2023: 25%), except for certain entities entitled to tax exemption or preferential rates at 5% (2023: 5%) for small and low-profit enterprises in the PRC.

8. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year:

	2024	2023
Loss attributable to owners of the Company (RMB'000)	(24,418)	(18,179)
Weighted average number of ordinary shares in issue (thousands)	<u>1,484,604</u>	<u>1,484,604</u>
Basic loss per share (RMB)	<u>(0.0164)</u>	<u>(0.0122)</u>

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. For the years ended 31 December 2024 and 2023, diluted loss per share is the same as basic loss per share because the exercise price of the Company's share options was higher than the average market price per share.

9. CONTRACT ASSETS

	2024 RMB'000	2023 RMB'000
Unbilled revenue of public infrastructure construction contracts	<u>171,215</u>	<u>184,360</u>

During the year ended 31 December 2024, approximately of RMB41,580,000 (2023: RMB25,000,000) was transferred from contract assets to trade receivables.

10. OTHER FINANCIAL ASSETS AT AMORTISED COST

	2024 RMB'000	2023 RMB'000
Loans to third parties	24,030	49,385
Less: loss allowance	<u>(24,030)</u>	<u>(49,385)</u>
	<u>—</u>	<u>—</u>

Interests from loans to third parties charged at commercial rates are included in finance income.

For debt investments at amortised cost showing a significant increase in credit risk since initial recognition, a total allowance of lifetime expected credit losses amounting to approximately RMB24,030,000 was recognised as at 31 December 2024 (2023: RMB49,385,000).

Movement in the loss allowance of other financial assets at amortised cost is as follows:

	Loans to third parties <i>RMB'000</i>
As at 1 January 2023	55,683
Decrease in loss allowance	(929)
Derecognition for portion settled by investment properties	<u>(5,369)</u>
As at 31 December 2023 and 1 January 2024	49,385
Written-off	(16,734)
Decrease in loss allowance	<u>(8,621)</u>
As at 31 December 2024	<u><u>24,030</u></u>

Note: The Group's loans to third parties mainly include various loans provided to target companies in accordance with the payment arrangement of potential acquisition transactions. The Group recovered part of the loans during the year ended 31 December 2024, a total allowance for expected credit losses amounting to approximately RMB24,030,000 was recognised as at 31 December 2024 (2023: RMB49,385,000).

During the year ended 31 December 2024, RMB8,621,000 was recovered by cash settlement (2023: RMB5,369,000 was recovered by transfer of investment properties, and the remaining RMB929,000 were recovered by cash settlement).

The security of loans to third parties is as follows:

Principal amount as at 31 December 2024 <i>RMB'000</i>	Pledged assets	Guarantees
2,000	Borrower's assets	By the borrower's controlling shareholder and an independent third party
22,030	Borrower's assets and equity interest in a third-party company	By one of the shareholders of the borrower and independent third parties

As at 31 December 2024 and 2023, the Group's other financial assets measured at amortised cost were all denominated in RMB.

Since the other financial assets measured at amortised cost were short-term in nature and the interest rates were close to the market rates, the carrying amounts of other financial assets measured at amortised cost were not materially different from their fair values as at 31 December 2024 and 2023.

11. TRADE AND OTHER RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables (a)	306,131	287,572
Tariff adjustment receivables (b)	<u>166,765</u>	<u>149,113</u>
	472,896	436,685
Less: loss allowance	<u>(252,466)</u>	<u>(225,192)</u>
Total trade receivables	<u>220,430</u>	<u>211,493</u>
Prepayments	460	1,302
Deposits and other receivables	72,714	66,620
Less: loss allowance	<u>(557)</u>	<u>(557)</u>
Total trade and other receivables	293,047	278,858
Non-current portion	<u>(23,570)</u>	<u>(23,570)</u>
Current portion	<u><u>269,477</u></u>	<u><u>255,288</u></u>

As at 31 December 2024, the collection rights of trade receivables derived from certain solar power plants with carrying amount of RMB144,274,000 (2023: RMB148,612,000) were pledged as security for the Group's borrowings.

Ageing analysis of trade receivables on gross basis, based on the invoice date is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	58,592	53,209
1 year to 2 years	38,367	57,378
2 years to 3 years	56,003	47,721
Over 3 years	<u>319,934</u>	<u>278,377</u>
	<u><u>472,896</u></u>	<u><u>436,685</u></u>

- (a) Trade receivables from sales of household solar power generation systems are due within 180 days from the date of billing. Trade receivables from rendering smart energy services are due within one year from the date of billing. Trade receivables from sales of electricity are due within one month from the date of billing. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and ageing. The allowance for trade receivables as at 31 December 2024 and 2023 was determined as follows:

As at 31 December 2024

Sales of household solar power generation systems	Not yet past due	Past due within 6 months	Past due between 6 months to 18 months	Past due between 18 months to 30 months	Past due over 30 months	Total
<i>Individually assessed:</i>						
Gross carrying amount (RMB'000)	1	—	—	—	186,303	186,304
Loss allowance (RMB'000)	—	—	—	—	(178,390)	(178,390)
<i>Collectively assessed:</i>						
Expected loss rate	0.00%	0.00%	4.28%	8.42%	12.20%	
Gross carrying amount (RMB'000)	—	16,748	5,119	10,958	7,421	40,246
Loss allowance (RMB'000)	—	—	(219)	(923)	(906)	(2,048)
Total loss allowance (RMB'000)						<u>(180,438)</u>

As at 31 December 2023

Sales of household solar power generation systems	Not yet past due	Past due within 6 months	Past due between 6 months to 18 months	Past due between 18 months to 30 months	Past due over 30 months	Total
<i>Individually assessed:</i>						
Gross carrying amount (RMB'000)	—	—	—	—	191,203	191,203
Loss allowance (RMB'000)	—	—	—	—	(179,868)	(179,868)
<i>Collectively assessed:</i>						
Expected loss rate	0.00%	0.00%	4.64%	8.99%	0.00%	
Gross carrying amount (RMB'000)	7,028	5,227	10,958	8,033	—	31,246
Loss allowance (RMB'000)	—	—	(509)	(723)	—	(1,232)
Total loss allowance (RMB'000)						<u>(181,100)</u>

As at 31 December 2024

Rendering smart energy services	Not yet past due	Past due within 1 year	Past due between 1 year and 2 years	Past due between 2 years and 3 years	Past due over 3 years	Total
<i>Individually assessed:</i>						
Gross carrying amount (RMB'000)	12	—	—	3,900	32,701	36,613
Loss allowance (RMB'000)	—	—	—	(3,900)	(32,701)	(36,601)
<i>Collectively assessed:</i>						
Expected loss rate	0.00%	4.28%	8.42%	12.20%	15.53%	
Gross carrying amount (RMB'000)	10,781	131	114	—	—	11,026
Loss allowance (RMB'000)	—	(6)	(10)	—	—	(16)
Total loss allowance (RMB'000)						(36,617)

As at 31 December 2023

Rendering smart energy services	Not yet past due	Past due within 1 year	Past due between 1 year and 2 years	Past due between 2 years and 3 years	Past due over 3 years	Total
<i>Individually assessed:</i>						
Gross carrying amount (RMB'000)	—	—	—	1,908	27,693	29,601
Loss allowance (RMB'000)	—	—	—	(1,908)	(27,693)	(29,601)
<i>Collectively assessed:</i>						
Expected loss rate	0.00%	4.64%	8.99%	12.99%	16.48%	
Gross carrying amount (RMB'000)	—	343	4,289	3,100	—	7,732
Loss allowance (RMB'000)	—	—	(199)	(279)	—	(478)
Total loss allowance (RMB'000)						(30,079)

As at 31 December 2024

			Past due between 11 months and 23 months	Past due between 23 months and 35 months	Past due between 35 months and 47 months	Past due over 47 months	Total
Sales of electricity (non-government entities)	Not yet past due	Past due within 11 months					
<i>Individually assessed:</i>							
Gross carrying amount (RMB'000)	—	—	—	649	857	11,778	13,284
Loss allowance (RMB'000)	—	—	—	(649)	(857)	(11,778)	(13,284)
<i>Collectively assessed:</i>							
Expected loss rate	0.00%	0.00%	4.28%	8.42%	12.20%	15.53%	
Gross carrying amount (RMB'000)	2,444	6,004	5,211	4,207	204	588	18,658
Loss allowance (RMB'000)	—	—	(223)	(354)	(25)	(91)	(693)
Total loss allowance (RMB'000)							<u>(13,977)</u>

As at 31 December 2023

			Past due between 11 months and 23 months	Past due between 23 months and 35 months	Past due between 35 months and 47 months	Past due over 47 months	Total
Sales of electricity (non-government entities)	Not yet past due	Past due within 11 months					
<i>Individually assessed:</i>							
Gross carrying amount (RMB'000)	—	—	649	857	4,278	7,500	13,284
Loss allowance (RMB'000)	—	—	(649)	(857)	(4,278)	(7,500)	(13,284)
<i>Collectively assessed:</i>							
Expected loss rate	0.00%	0.00%	4.64%	8.99%	12.99%	16.48%	
Gross carrying amount (RMB'000)	1,550	7,227	4,671	469	194	395	14,506
Loss allowance (RMB'000)	—	—	(217)	(42)	(25)	(65)	(349)
Total loss allowance (RMB'000)							<u>(13,633)</u>

As at 31 December 2024

			Past due between 11 months and 23 months	Past due between 23 months and 35 months	Past due between 35 months and 47 months	Past due over 47 months	Total
Sales of electricity (tariff adjustment receivables)	Not yet past due	Past due within 11 months					
<i>Individually assessed:</i>							
Gross carrying amount (RMB'000)	—	—	1,324	4,361	4,353	10,664	20,702
Loss allowance (RMB'000)	—	—	(1,324)	(4,361)	(4,353)	(10,664)	(20,702)
<i>Collectively assessed:</i>							
Expected loss rate	0%	0%	0.17%	0.39%	0.67%	1.01%	
Gross carrying amount (RMB'000)	14,877	7,725	26,582	31,815	27,579	37,485	146,063
Loss allowance (RMB'000)	—	—	(44)	(125)	(185)	(378)	(732)
Total loss allowance (RMB'000)							<u>(21,434)</u>

As at 31 December 2023

			Past due between 11 months and 23 months	Past due between 23 months and 35 months	Past due between 35 months and 47 months	Past due over 47 months	Total
Sales of electricity (tariff adjustment receivables)	Not yet past due	Past due within 11 months					
<i>Collectively assessed:</i>							
Expected loss rate	0.00%	0.00%	0.13%	0.25%	0.43%	0.64%	
Gross carrying amount (RMB'000)	1,939	29,896	36,811	33,354	25,841	21,272	149,113
Loss allowance (RMB'000)	—	—	(48)	(84)	(112)	(136)	(380)
Total loss allowance (RMB'000)							<u>(380)</u>

- (b) As at 31 December 2024, RMB144,163,000 (2023: RMB117,278,000) of tariff adjustment receivables, derived from the subsidies in respect of sales of electricity were past due for more than 11 months and above. Applying the expected credit risk model result in recognition of loss allowance amounted to RMB732,000 as at 31 December 2024 (2023: RMB380,000). In addition, loss allowance resulting from the individual assessment of tariff adjustment receivables amounting to approximately RMB20,702,000 was recognised during the year ended 31 December 2024 (2023: RMBnil).

(c) Movement in the loss allowance for trade and other receivables is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Opening balance	225,749	229,832
Increase/(decrease) in loss allowance		
— Trade receivables	27,274	(4,083)
— Other receivables	—	—
Written-off as uncollectible		
— Trade receivables	—	—
— Other receivables	—	—
	<u> </u>	<u> </u>
Closing balance	<u>253,023</u>	<u>225,749</u>

(d) The Group's trade and other receivables were denominated in the following currencies:

	2024 RMB'000	2023 <i>RMB'000</i>
HK\$	316	118
RMB	<u>292,731</u>	<u>278,740</u>
	<u>293,047</u>	<u>278,858</u>

As at 31 December 2024 and 2023, the carrying amounts of trade and other receivables approximated their fair values.

12. TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	16,086	15,845
Accruals and other payables	<u>41,984</u>	<u>36,860</u>
	<u>58,070</u>	<u>52,705</u>

Ageing analysis of trade payables based on invoice date is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	241	357
Over 1 year	<u>15,845</u>	<u>15,488</u>
	<u>16,086</u>	<u>15,845</u>

As at 31 December 2024 and 2023, the Group's trade and other payables were all denominated in RMB and the carrying amounts approximated their fair values.

13. DIVIDENDS

During the years ended 31 December 2024 and 2023, the Company did not declare any dividends to the shareholders of the Company.

OVERVIEW

The Group is principally engaged in smart energy business with focus on the possession and operation of solar power plants and public infrastructure construction business in relation to the Baoding Donghu PPP project, with gradual expansion and diversification to other clean energy businesses.

During the Reporting Period, the Group recorded a revenue of RMB114,231,000 (same period of 2023: RMB114,030,000), basically on a par with the same period of last year. Loss attributable to owners of the Company was RMB24,418,000 (same period of 2023: loss attributable to owners of the Company of RMB18,179,000). The increase in loss was mainly attributable to (among others): The recovery of the national renewable energy power generation subsidies (“**National Subsidies**”) for a solar power plant of the Group is not very optimistic, with the principle of prudence, the management made an impairment provision of totally approximately RMB54,024,000 for the accounts receivable related to the National Subsidies and the assets of the power plant during the Reporting Period.

BUSINESS REVIEW

Smart Energy Business

The Group’s smart energy business, positioned as comprehensive energy services for the user side, mainly serves to meet the demands from customers in industrial, commercial and residential sectors as well as public institutions. The Group provides its customers with a full range of smart energy comprehensive utilisation services based on various energy sources including electricity, heat and gas by leveraging on its smart energy cloud platform, to help customers improve their energy utilisation efficiency and reduce energy consumption cost, whereby building a diversified, clean and low-carbon energy supply system.

The Group works to realise the above business objectives by integrating its energy systems with internet technology. On one hand, the Group acquires premium energy assets and projects by expanding its offline business in comprehensive energy supply such as electricity, heat and gas, and generates stable operation and investment returns from operating and managing such assets. On the other hand, the Group uploads the real-time data of electricity, heat and gas consumption of its industrial and commercial enterprises and residential users to the cloud platform, integrates and analyses such big data, and taps into the energy consumption potential of customers, so as to provide them with other industrial chain services, including multi-energy complementation of electricity, heat and gas, smart operation and maintenance, energy trade, and energy efficiency analysis.

During the Reporting Period, the Group’s smart energy business mainly represented the possession and operation of solar power plants, including the possession and operation of 11 existing ground and commercial distributed solar power plants with an installed capacity of approximately 64 megawatts (MW), and the possession and operation of 18 MW household solar power plants. During the Reporting Period, the total power generation capacity of the above solar power plants was approximately 100,858 MWh (same period of 2023: 104,800 MWh), and the total power generation revenue was approximately RMB61,899,000 (same period of 2023: RMB69,261,000), the decrease in the power

generation revenue was mainly caused by the reduction in solar power generation due to the influence of sunlight and power rationing. In addition, the Group also provides operation and maintenance services for some household solar power plants, and charges operation and maintenance service fees; holds and operates some clean heating projects in Shandong Province and Shanxi province, and charges heating service fees.

During the Reporting Period, the smart energy business contributed approximately RMB85,506,000 (same period of 2023: RMB95,283,000) to the Group's revenue, representing a decrease of approximately 10.26% as compared to the same period of last year, which was primarily attributable to the decrease in revenue from solar power generation business. Loss for the Reporting Period amounted to approximately RMB37,704,000 (same period of 2023: loss of approximately RMB348,000). Such substantially increase in the loss was primarily attributable to: an impairment provision of approximately totally RMB54,024,000 was made for the accounts receivable and the assets of a solar power plant during the Reporting Period.

Public Infrastructure Construction Business

The public infrastructure construction business refers to the construction and related preliminary investment and post-construction, operation and management of public infrastructure under the Baoding Donghu Project in Baoding City of Hebei Province. During the Reporting Period, the public infrastructure construction business contributed approximately RMB28,725,000 (same period of 2023: RMB18,747,000) to the Group's revenue. Loss for the Reporting Period amounted to approximately RMB279,000 (same period of 2023: RMB15,727,000). The increase in revenue was primarily attributable to the increased investment during the Reporting Period. The reduction in loss was mainly due to the increase in revenue.

BUSINESS OUTLOOK

In January 2025, the National Energy Administration issued the "Administrative Measures for the Development and Construction of Distributed Solar Power Generation". In February 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the "Notice on Deepening the Market-Oriented Reform of New Energy Grid-Connected Electricity Prices to Promote the High-Quality Development of New Energy". The above-mentioned two policies have a significant impact on the grid-connected mode of distributed solar power plants and the grid-connected electricity prices of new energy (including wind power and solar power). These policies aim to promote the healthy, stable, and long-term development of the solar power generation industry. However, as the electricity price will be determined through a market-oriented competitive bidding method, the revenue of newly-built solar power plants will face great uncertainty, which will directly affect the profits and cash flows of such enterprises.

The above policies have a relatively great impact on newly built solar power plants. However, due to factors such as the power curtailment losses caused by the grid's power consumption limitations and the increase in the number of transactions and transaction volume in the market-oriented electricity trading, the impact on existing solar power plants, especially large-scale ground power plants, will also become

increasingly significant. We will closely monitor the impact of industry policies and their implementation on the solar power plants of the Group, flexibly adjust our operation strategies, and ensure the stable operation and healthy development of the Group.

FINANCIAL REVIEW

Revenue and Gross Profit

The Group's revenue and gross profit for the Reporting Period amounted to RMB114,231,000 (same period of 2023: RMB114,030,000) and RMB30,652,000 (same period of 2023: RMB24,854,000), respectively. The gross profit margin was 26.83% (same period of 2023: 21.80%).

The revenue was basically on a par with that of the same period last year. The gross profit margin has increased as compared with the same period of last year, which was primarily attributable to the increase in gross profit of the public infrastructure construction business.

Selling and Distribution Expenses

The Group incurred selling and distribution expenses of RMB176,000 during the Reporting Period (same period of 2023: RMB219,000), representing a decrease of 19.63% as compared to last year, which was primarily attributable to a significant reduction in related sales and distribution expenses caused by a reduction in the sales of household solar power systems business.

Administrative Expenses

The Group incurred administrative expenses of RMB16,877,000 during the Reporting Period (same period of 2023: RMB20,937,000), representing a decrease of 19.39% as compared to last year, which was primarily attributable to the decrease in related expenses as a result of overall operational cost control.

Impairment Losses on Non-Financial Assets

During the Reporting Period, the Group made an impairment losses of approximately RMB33,322,000 (the same period of 2023: impairment losses of approximately RMB58,794,000) on non-financial assets, which was primarily attributable to: an impairment provision of approximately RMB30,474,000 was made by the Group for the assets of a solar power plant whose recovery of National Subsidies was not optimistic during the Reporting Period.

(Impairment Losses)/Reversal of Impairment Losses on Financial Assets

During the Reporting Period, the Group made an impairment losses on financial assets of RMB18,653,000 (same period of 2023: reversal of impairment losses of RMB5,012,000), which was primarily attributable to an impairment provision of approximately RMB21,434,000 was made by the Group for the accounts receivable related to the National Subsidies of a solar power plant whose recovery of National Subsidies was not optimistic during the Reporting Period.

Finance Expenses — Net

Net finance expenses amounted to RMB5,553,000 for the Reporting Period (same period of 2023: RMB6,580,000), representing a decrease of 15.60% as compared to last year. Such decrease was primarily attributable to the gradual reduction of the principal of the loans for solar power plants year by year and the decline in the loan interest rate.

Income Tax Credit

Income tax credit amounted to RMB1,383,000 for the Reporting Period (same period of 2023: RMB3,958,000), representing a decrease in the credit of 65.06% as compared to last year, which was primarily attributable to the corporate income tax has decreased compared with previous years due to the corporate income tax refund of some companies, and part of the deferred income tax liabilities have been reversed due to the impairment of fixed assets during the Reporting Period.

Share of Net Profit of Associates Accounted for Using the Equity Method

The Group recognised no net profit for the associate accounted for using the equity method for the Reporting Period (same period of 2023: RMB30,520,000), which was primarily attributable to the Group's profit recognised in an associate due to recovery of certain receivables which were credit impaired in prior years during the last period, while there was no such thing in the Reporting Period.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2024, bank balances and cash amounted to approximately RMB221,468,000 (31 December 2023: RMB227,743,000), of which approximately RMB177,934,000 (as at 31 December 2023: Nil) was time deposits with original maturity over three months, approximately RMB1,885,000 (31 December 2023: RMB38,000) was restricted bank balances (mainly used for the expenses incurred under the Baoding Donghu Project). Such decrease in bank balances and cash was primarily attributable to the repayment of bank loan.

Total current assets and current ratio

As at 31 December 2024, total current assets and current ratio (total current assets/total current liabilities) were approximately RMB665,114,000 (31 December 2023: RMB672,255,000) and 5.47 (31 December 2023: 6.53), respectively. The decrease in total current assets was primarily attributable to the decrease in bank balances and cash and trade receivables, and the decrease in current ratio was the result of decrease in current assets.

External borrowings and pledge of assets

As at 31 December 2024, the Group had external borrowings of RMB133,600,000 (31 December 2023: RMB160,500,000), of which RMB133,600,000 was secured by certain machinery at solar power plants with a carrying amount of RMB209,228,000 and the collection rights of future receivables of certain subsidiaries (31 December 2023: RMB160,500,000 was secured by certain machinery at solar power plants with a carrying amount of RMB227,927,000 and the collection rights of future receivables of certain subsidiaries).

Gearing Ratio

The table below sets forth the calculation of gearing ratio of the Group as at the dates indicated:

	31 December 2024	31 December 2023
	RMB'000	RMB'000
Bank loans	133,600	160,500
Lease liabilities	12,799	13,253
Amounts due to related parties	—	2,914
Less: Cash and cash equivalents	(41,649)	(227,705)
Time deposits with original maturity over three months	(177,934)	—
Restricted cash	(1,885)	(38)
Net (cash)	(75,069)	(51,076)
Total equity	807,993	851,413
Total capital (Net (cash) plus total equity)	732,924	800,337
Gearing ratio (Net debt/total capital)	N/A	N/A

As at 31 December 2024, the Group's net debt was negative, which was primarily attributable to the repayment of loans and the recovery of some receivables during the Reporting Period.

The proportion of long-term and short-term debts was 53.33% and 46.67%, respectively (as at 31 December 2023: 63.90% and 36.10%), of which the borrowings of RMB133,600,000 in respect of solar power plants were gradually repaid by the proceeds from electricity sales. Therefore, the Group was not exposed to any significant insolvency risk.

Interest Rate Risk

The Group's interest rate risk arises primarily from external borrowings. During the Reporting Period, the external borrowings, which mainly represent bank borrowings for solar power plants, bear interests at rates ranging from 4.94% to 5.18% per annum (same period of 2023: 5.04% to 5.28% per annum). The interest rates applicable to borrowings of solar power plants were charged at the lending rate of the People's Bank of China for the same period plus 10% to 15%, with risk derived from the changes in China's policy on interest rate, but the Group expects the impact of the interest rate risk on the Group's consolidated profit or loss to be insignificant.

Exchange Rate Risk

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in Renminbi, which is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchanges. The exchange rates adopted for foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The Group currently does not have a policy on foreign currency risk as it had minimal transactions denominated in foreign currencies during the Reporting Period, and the impact of foreign currency risk on the Group's operation is minimal.

Investment Commitments

As at 31 December 2024, the Group had no investment commitments (31 December 2023: RMB101,600,000, which were mainly the Group's obligations of capital contribution to its associated company Longyao (Beijing) Clean Energy Technology Company Limited (隆耀(北京)清洁能源科技有限公司) (“**Longyao Beijing**”). As there was no business, Longyao Beijing was deregistered on 5 January 2024, and such commitment of capital contribution had be lapsed.

Contingent Liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

MATERIAL ACQUISITION, INVESTMENT AND DISPOSAL

Material Acquisition and Investment

The Group had no material acquisition and investment during the Reporting Period.

Material Disposal

The Group had no material disposal during the Reporting Period.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 43 employees as at 31 December 2024 (31 December 2023: 67 employees), the decrease in the number of employees was primarily due to the significant reduction in investment in the Baoding Donghu project in recent years, which led to the downsizing of the workforce. Employees are remunerated according to the nature of their positions, individual qualification, performance, work experience and market trends, and subject to periodic reviews based on their performance. Meanwhile, to attract and retain high-caliber employees to ensure smooth operation and accommodate the continued expansion of the Group, the Group offers competitive remuneration and benefit packages to employees at different levels, including discretionary bonuses, various training programs, sponsorship for further study and share option schemes for the benefit of the Directors and eligible employees of the Group.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

Except as disclosed in the announcement, the Group did not have any significant post-period events after 31 December 2024 and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (“**Shareholders**”) and to enhance corporate value and accountability. The Company had complied with all the applicable code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during the Reporting Period, except for the following deviation:

According to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wei Qiang, an executive Director, is the chief executive officer of the Company and the chairman of the Board. The Board is of the opinion that vesting the roles of both the chairman and the chief executive officer in the same person could improve the Company’s effectiveness and efficiency in reaching its business goals. The Board also believes that this arrangement will not be detrimental to the balance of power and authority between the chairman and the chief executive officer, while a higher ratio of independent non-executive Directors will enable the Board to make unbiased judgments more effectively and provide sufficient supervision to protect the interests of the Company and the Shareholders.

According to code provision C.5.1 of the CG Code, the board meeting should be held at least four times a year at approximately quarterly interval. During the Reporting Period, two Board meetings were held to approve the interim financial performance and annual financial performance of the Group which should be decided by the Board, and discussed the overall operation and strategy of the Group ect.. The Company also sought the approval of the Directors on relevant matters by circulating a written resolution to replace the Board meeting. In addition, the Directors had frequent communication with the management of the Company during the year to discuss the overall operation and strategy of the Group, and actively exchanged their views on the performance of the Group. As such, the Directors are considered to be provided in a timely manner with appropriate information to make informed decisions and perform their duties and responsibilities.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. After making specific enquiries, all of the Directors who held their office during the Reporting Period have confirmed that they had complied with the Model Code.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

FINAL DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”), comprising the three independent non-executive Directors, has reviewed the Group’s consolidated financial statements for the year ended 31 December 2024 together with the management of the Company.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The financial figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited (the "**BDO**"), Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO on the preliminary announcement.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.longitech.hk), and the 2024 annual report containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

CHANGE OF COMPANY WEBSITE ADDRESS

With effect from 28 March 2025, the website address of the Company will be changed from "<https://www.longitech.hk>" to "<https://www.xindaholdings.com>". The telephone and fax numbers of the Company will remain unchanged.

By order of the Board
Xinda Investment Holdings Limited
Wei Qiang
Chairman

Hebei, 27 March 2025

As at the date of this announcement, the executive Directors are Mr. Wei Qiang and Ms. Zou Yanhong; and the independent non-executive Directors are Dr. Han Qinchun, Mr. Wong, Yik Chung John and Mr. Feng Zhidong.