江山控股
KongSun Holdings

KONG SUN HOLDINGS LIMITED
江山控股有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 295)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Kong Sun Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024, together with the comparative figures for the corresponding year in 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
CONTINUING OPERATIONS			
Revenue	3	**392,963**	474,793
Cost of sales		**(175,706)**	(255,145)
Gross profit		**217,257**	219,648
Other (losses)/gains, net	4	**(14,441)**	30,295
Administrative expenses		**(131,090)**	(193,473)
Gains/(losses) on disposal of subsidiaries, net		**38,339**	(33,770)
Impairment loss on a solar power plant		**(5,385)**	–
Impairment loss on a disposal group classified as held for sale	8(a)	**–**	(61,444)
Impairment losses on trade and other receivables, net	11	**(261,401)**	(156,276)
Impairment loss on loans to an associate		**(1,281)**	(684)
Impairment loss on loans to a joint venture		**(2)**	–
Finance costs	5	**(98,070)**	(164,240)
Impairment loss on interest in an associate		**(6,694)**	–
Impairment loss on interest in a joint venture		**(220)**	(6,780)
Share of (losses)/profits of associates		**(91,305)**	44,903
Share of (losses)/profits of joint ventures		**(7,059)**	11,818
Loss before income tax from continuing operations	6	**(361,352)**	(310,003)
Income tax expense	7	**(25,782)**	(14,627)
Loss for the year from continuing operations		**(387,134)**	(324,630)
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	8(b)	**(213,994)**	(4,019)
Loss for the year		**(601,128)**	(328,649)
Other comprehensive loss			
Items that will not be reclassified to profit or loss in subsequent periods:			
– Fair value changes in financial assets measured at fair value through other comprehensive income		**(36,731)**	(164,252)
Items that will be reclassified to profit or loss in subsequent periods:			
– Exchange differences on translation of foreign operations		**(6,085)**	(4,264)
Other comprehensive loss for the year, net of tax		**(42,816)**	(168,516)
Total comprehensive loss for the year		**(643,944)**	(497,165)

	Notes	**2024**	2023
		RMB'000	*RMB'000*
			(Restated)
(Loss)/profit for the year attributable to:			
– Equity shareholders of the Company		**(523,312)**	(335,800)
– Non-controlling interests		**(77,816)**	7,151
		(601,128)	(328,649)
Loss for the year attributable to equity shareholders of the Company:			
– from continuing operations		**(374,693)**	(333,389)
– from a discontinued operation	*8(b)*	**(148,619)**	(2,411)
		(523,312)	(335,800)
(Loss)/profit for the year attributable to non-controlling interests:			
– from continuing operations		**(12,441)**	8,759
– from a discontinued operation		**(65,375)**	(1,608)
		(77,816)	7,151
Total comprehensive (loss)/income for the year attributable to:			
– Equity shareholders of the Company		**(566,128)**	(504,316)
– Non-controlling interests		**(77,816)**	7,151
		(643,944)	(497,165)
Total comprehensive loss attributable to equity shareholders of the Company:			
– from continuing operations		**(417,509)**	(501,905)
– from a discontinued operation		**(148,619)**	(2,411)
		(566,128)	(504,316)
Total comprehensive (loss)/income attributable to non-controlling interests:			
– from continuing operations		**(12,441)**	8,759
– from a discontinued operation		**(65,375)**	(1,608)
		(77,816)	7,151
Loss per share attributable to equity shareholders of the Company	*9*		
Basic and diluted (RMB cents)			
– For loss for the year		**(3.50)**	(2.24)
– For loss for the year from continuing operations		**(2.50)**	(2.23)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
Non-current assets			
Property, plant and equipment		**17,448**	31,417
Solar power plants		**1,397,635**	943,096
Right-of-use assets		**117,580**	127,197
Interests in associates		**128,334**	218,533
Interests in joint ventures		**202,469**	209,748
Financial assets measured at fair value through other comprehensive income ("**FVTOCI**")		**559,211**	595,942
Intangible assets		–	10,639
Goodwill		–	–
Trade and other receivables	*11*	**124,371**	191,840
Deferred tax assets		**12,164**	12,164
Loans to an associate		**5,906**	124,892
Total non-current assets		**2,565,118**	2,465,468
Current assets			
Inventories		–	14,986
Trade and other receivables	*11*	**1,989,400**	1,734,038
Loans to an associate		**118,129**	606
Loans to a joint venture		**598**	–
Restricted cash		**18,256**	–
Cash and cash equivalents		**76,705**	254,778
		2,203,088	2,004,408
Assets of a disposal group classified as held for sale	*8(a)*	–	1,252,629
Total current assets		**2,203,088**	3,257,037
Current liabilities			
Trade and other payables	*12*	**470,319**	668,537
Lease liabilities		**24,459**	22,629
Loans and borrowings		**967,383**	1,026,803
Loans from an associate		–	26,100
Corporate bonds		–	9,062
Tax payables		**16,853**	5,305
		1,479,014	1,758,436
Liabilities directly associated with the assets of a disposal group classified as held for sale	*8(a)*	–	269,682
Total current liabilities		**1,479,014**	2,028,118

	Notes	**2024** *RMB'000*	2023 *RMB'000* (Restated)
Net current assets		**724,074**	1,228,919
Total assets less current liabilities		**3,289,192**	3,694,387
Non-current liabilities			
Lease liabilities		**96,608**	124,670
Loans and borrowings		**846,661**	632,413
Corporate bonds		**8,334**	7,266
Total non-current liabilities		**951,603**	764,349
NET ASSETS		**2,337,589**	2,930,038
Equity			
Share capital		**6,486,588**	6,486,588
Reserves		**(4,210,966)**	(3,644,838)
Equity attributable to the equity shareholders of the Company		**2,275,622**	2,841,750
Non-controlling interests		**61,967**	88,288
TOTAL EQUITY		**2,337,589**	2,930,038

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the main board of the Stock Exchange of Hong Kong Limited (the "**Exchange**").

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of the 2024 annual results do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on those financial statements of the Group for both years. For the year ended 31 December 2024, the auditor's report was unqualified; includes a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report as set out in sub-section under "EXTRACT OF INDEPENDENT AUDITOR'S REPORT"; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, except for certain equity investments which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("**RMB**"), and all values are rounded to the nearest thousand except when otherwise indicated.

In preparing the financial statements, the Directors considered the operations of the Group as a going concern notwithstanding that the Group incurred a net loss of approximately RMB601,128,000 during the year ended 31 December 2024. Additionally, the settlement of the Group's tariff adjustment receivables from the state-grid companies may take longer than originally anticipated by the management. These events or conditions, together with other matters set forth in note 2 in this announcement indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the financial statements were prepared based on the assumption that the Group can be operated as a going concern and the Directors are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 31 December 2024, after taking into consideration of the following:

- The expected settlement of the Group's certain tariff adjustment receivables from the state-grid companies in the next twelve months from 31 December 2024, determined with reference to the historical settlement pattern; and

- The expected proceeds from disposal of domestic shares in Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company ("**Hohhot Jingu Bank**") amounting to approximately RMB142,396,000 in the next twelve months from 31 December 2024, determined with reference to the disposal contracts.

The Directors believe that the aforementioned financing and operational measures will be successful, based on the continuous efforts and commitment given by the management.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to write down the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of such adjustments has not yet been reflected in the financial statements.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

2.1 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRSs are disclosed below:

Amendments to HKFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* and Amendments to HKAS 1 *Non-current Liabilities with Covenants*

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

Amendments to HKAS 7 *and HKFRS 7 Supplier Finance Arrangements*

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.2 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Amendments to HKFRS 1, HKFRS 7, HKFRS9, HKFRS 10 and HKAS 7[2]	*Annual Improvements to HKFRS Accounting Standards–Volume 11*

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/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirement.

HKFRS 19 ***Subsidiaries without Public Accountability: Disclosures***

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 ***Amendments to the Classification and Measurement of Financial Instruments***

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 ***Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture***

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 *Lack of Exchangeability*

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

***Annual Improvements to HKFRS Accounting Standards – Volume 11* Amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS9, HKFRS 10 and HKAS 7**

- HKFRS 7 *Financial Instruments: Disclosures:* The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 10 *Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 *Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. REVENUE

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**392,963**	474,793

(a) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Type of services		
Sales of electricity *(i)*	**239,455**	286,256
Provision of solar power plant operation and maintenance services	**37,980**	121,856
Interest income from provision of financial services	**115,528**	66,681
	392,963	474,793
Timing of revenue recognition		
Goods transferred at a point in time	**239,455**	286,256
Services transferred over time	**153,508**	188,537
	392,963	474,793

Note:

(i) During the year ended 31 December 2024, sales of electricity include renewable energy subsidies from the state-grid companies in various provinces amounted to approximately RMB211,375,000 (2023: RMB173,808,000).

(b) Major customers

Revenue from major customers, which amounted to 10% or more of the total revenue, is set out below:

	2024	2023
	RMB'000	*RMB'000*
Customer A in solar power plants segment	**76,224**	116,079
Customer B in solar power plants segment	**43,525**	96,703

(c) Performance obligations

The Group has no unsatisfied performance obligations at the end of the reporting period.

4. OTHER (LOSSES)/GAINS, NET

An analysis of the Group's other (losses)/gains, net from continuing operations is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest income on bank deposits	**1,177**	2,486
Interest income from a former subsidiary	**285**	8,292
Interest income arising from litigation	**–**	3,222
Interest income from an associate	**10,698**	10,684
Compensations arising from litigation	**(22,537)**	–
Dividend income from financial assets measured at fair value through other comprehensive income	**–**	20,250
Gain on lease modification	**1,008**	2,171
Gain on disposal of property, plant and equipment	**3**	12
Loss on disposal of solar power plants	**–**	(72)
Write-back of other payables	**–**	512
Government grants (i)	**154**	1,320
Rental income	**164**	11,537
Rental expense	**(8,321)**	(8,795)
Consultancy income	**937**	–
Solar power plant rectification expenses	**(2,222)**	(11,683)
Write-off of other receivables	**–**	(15,742)
Impairment loss on goodwill	**(547)**	–
Net foreign exchange gain	**6,543**	220
Others	**(1,783)**	5,881
	(14,441)	30,295

Note:

(i) Government grants include those grants from the PRC government to certain subsidiaries of the Group in the PRC for compensation for their operating cost and enterprises development. There are no unfulfilled conditions or other contingencies attached to these grants.

5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on loans and borrowings	**90,264**	155,769
Imputed interest on corporate bonds	**411**	707
Interest on lease liabilities	**7,395**	7,764
	98,070	164,240

6. LOSS BEFORE INCOME TAX

The Group's loss before income tax from continuing operations is arrived at after charging:

	2024	2023
	RMB'000	*RMB'000*
Auditor's remuneration		
Audit services	**2,200**	2,380
Non-audit services	**777**	1,653
Depreciation		
Property, plant and equipment (included in cost of sales and administrative expenses)	**1,122**	3,479
Solar power plants (included in cost of sales)	**95,410**	98,491
Right-of-use assets (included in cost of sales and administrative expenses)	**21,021**	23,296
Lease payments not included in the measurement of lease liabilities	**8,321**	1,688
Employee benefit expense (including directors' emoluments)		
Salaries, wages and other benefits	**107,485**	191,332
Pension scheme contributions	**23,302**	43,630

7. INCOME TAX

Income tax expense from continuing operations in the consolidated statement of profit or loss represents:

	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**25,782**	13,836
Withholding tax on dividend income	**–**	1,000
Deferred tax	**–**	(209)
	25,782	14,627

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profit arising in Hong Kong during the years ended 31 December 2024 and 2023.

The Group's subsidiaries domiciled in PRC are subject to PRC Corporate Income Tax at the statutory rate of 25% (2023: 25%), unless otherwise specified.

Pursuant to the Notice on the *Execution of the Catalogue of Public Infrastructure Projects Entitled to Preferential Tax Treatment* (CaiShui [2008] No. 46) (the "**Catalogue**") jointly issued by the Ministry of Finance and the State Taxation Administration, certain solar power plant projects of the Group approved after 1 January 2008 qualify for preferential corporate income tax treatment. Specifically, these projects are entitled to a tax exemption period of three years commencing in the respective fiscal year in which the first operating revenue is recognised, followed by a subsequent three-year period during which corporate income tax is levied at 50% of the applicable rate. This preferential treatment is conditional upon compliance with the requirements outlined in the Catalogue and relevant regulatory provisions.

Under the PRC Corporate Income Tax Law and its implementing regulations, dividends distributed by a PRC-resident enterprise to its non-PRC immediate holding company are generally subject to a statutory withholding tax rate of 10%, unless a reduced rate applies under applicable tax treaties or arrangements. Earnings generated from 1 January 2008 onward, as well as undistributed earnings accrued prior to that date, are exempt from withholding tax under transitional provisions.

In accordance with the *Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion*, a Hong Kong tax resident enterprise that qualifies as the "beneficial owner" of dividends and directly holds no less than 25% of the equity interest in the distributing PRC enterprise is eligible for a reduced withholding tax rate of 5%.

Deferred tax liabilities related to withholding taxes on temporary differences arising from the undistributed profits of the Group's PRC subsidiaries have not been recognised. This treatment aligns with the requirements of HKAS 12 *Income Taxes*, as the Group exercises control over the dividend distribution policies of these entities, and management has determined that it is probable such profits will not be distributed in the foreseeable future.

8. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

(a) Disposal group formerly classified as held for sale

As of 31 December 2023, the assets and liabilities of 黃石黃源光伏電力開發有限公司 ("**Huangshi Huangyuan**"), 定邊縣晶陽電力有限公司 ("**Dingbian Jingyang**"), 定邊縣萬和順新能源發電有限公司 ("**Dingbian Wanheshun**"), and 榆林正信電力有限公司 ("**Yulin Zhengxin**") (collectively, the "**2023 Disposal Group**") were classified as a disposal group held for sale. This classification followed the execution of sale and purchase agreements ("**SPAs**") with independent third-party purchasers on 11 August 2023. The principal activities of these subsidiaries, all of which were engaged in the generation and sale of electricity, were expected to be disposed of in accordance with the SPAs.

Management had assessed that the sale was highly probable and expected to complete within twelve months from the reporting date. The disposal did not qualify as a discontinued operation, as it did not represent a major line of business or geographical area of operations.

The major classes of assets and liabilities classified as held for sale as at 31 December 2023 are as follows:

	2023
	RMB'000
Property, plant and equipment	407
Solar power plants	637,002
Right-of-use assets	28,656
Goodwill	547
Inventories	195
Trade and other receivables	644,589
Amounts due from group companies	217,781
Cash and cash equivalents	2,677
	1,531,854
(Less): Amounts due from group companies	(217,781)
Impairment loss on a disposal group classified as held for sale	(61,444)
Assets of a disposal group classified as held for sale	1,252,629
Trade and other payables	(56,399)
Dividend payables	(129,072)
Amounts due to group companies	(730,688)
Loans and borrowings	(206,356)
Tax payable	(825)
Lease liabilities	(6,102)
	(1,129,442)
(Less): Dividend payables	129,072
Amounts due to group companies	730,688
Liabilities directly associated with the assets of a disposal group classified as held for sale	(269,682)
Net assets of a disposal group classified as held for sale	982,947

(a) Disposal group formerly classified as held for sale (continued)

During the year ended 31 December 2024, the Group ceased to classify the 2023 Disposal Group as held for sale. This change arose due to delays in finalising the transactions pending the conclusion of the national subsidy verification process initiated by the PRC regulatory authorities. As the timing of this verification remains uncertain, the 2023 Disposal Group no longer met the criteria under HKFRS 5 for continued classification as held for sale.

In accordance with HKFRS 5, the assets and liabilities of the 2023 Disposal Group have been reclassified back to their respective categories in the consolidated statement of financial position as at 31 December 2024. Upon cessation of classification as held for sale, the Group remeasured the carrying amounts of the related assets. The resulting adjustments to depreciation of RMB27,394,000 were recognised in the consolidated statement of profit or loss for the year ended 31 December 2024.

The reclassification has no material impact on the Group's results of both current and prior reporting period. The results of 2023 Disposal Group for the years ended 31 December 2024 and 2023 are included in the consolidated statement of profit or loss under their respective line items.

The delay in completing the disposal is attributable to the unresolved national subsidy verification process, a regulatory procedure outside the Group's control. Management continues to engage with relevant authorities to advance the process and remains committed to executing the transactions once the verification is concluded.

(b) Discontinued operation

During the year ended 31 December 2024, the Company disposed of its interest in 北京鷹之眼智慧健康科技有限公司 ("**Beijing Eagle Eye**"), which is principally engaged in provision of health management services in the PRC. The disposal was completed on 30 December 2024 and Beijing Eagle Eye was classified as a discontinued operation on the same date. With Beijing Eagle Eye being disposed and its results for the year ended 31 December 2024 being classified as a discontinued operation, the health management services business is no longer included in the note for operating segment information.

The results of Beijing Eagle Eye which have been included in the Group's consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2024 and 2023 are presented below:

	2024	2023
	RMB'000	*RMB'000*
Revenue	**9,613**	–
Cost of sales	**(7,658)**	–
Gross profit	**1,955**	–
Other gains/(losses), net	**(5,398)**	(4,019)
Administrative expenses	**(206,968)**	–
Finance costs	**(3,583)**	–
Loss before income tax from a discontinued operation	**(213,994)**	(4,019)
Income tax expense	**–**	–
Loss for the year from a discontinued operation	**(213,994)**	(4,019)
Loss for the year from a discontinued operation attributable to:		
Equity shareholders of Beijing Eagle Eye	**(148,619)**	(2,411)
Non-controlling interests	**(65,375)**	(1,608)
	(213,994)	(4,019)

The cash flows of Beijing Eagle Eye which have been included in the Group's consolidated statement of cash flows for the years ended 31 December 2024 and 2023 are presented below:

	2024	2023
	RMB'000	*RMB'000*
Net cash flows from operating activities	**35,628**	–
Net cash flows from investing activities	**(16,336)**	–
Net cash flows from financing activities	**(20,841)**	–
Net cash flows	**(1,549)**	–

Information about the gain on disposal of Beijing Eagle Eye is as follows:

	RMB'000
Consideration received	RMB1
Less: assets and liabilities over which control was lost	
– Current assets	122,300
– Non-current assets	128,733
– Current liabilities	(279,336)
– Non-current liabilities	(15,548)
	(43,851)
Gain on disposal	(43,851)
Net cash inflows arising from the disposal	
Cash consideration received	RMB1
Less: cash and cash equivalent disposed of	–
	RMB1

9. LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The calculation of basic loss per share amount is based on loss for the year attributable to equity shareholders of the Company of RMB523,312,000 (2023: RMB335,800,000) and on the weighted average number of ordinary shares of 14,964,442,000 (2023: 14,964,442,000) outstanding during the year.

The calculation of basic loss per share from continuing operations is based on loss for the year from continuing operations attributable to equity shareholders of the Company of RMB374,693,000 (2023: RMB338,211,000) and on the weighted average number of ordinary shares of 14,964,442,000 (2023: 14,964,442,000) outstanding during the year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2024 (2023: Nil).

10. DIVIDEND

No dividend was paid or declared during the year ended 31 December 2024 nor has any dividend been declared since the end of the reporting period (2023: Nil).

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables		
– Receivable from health management services *(i)*	**–**	17,993
– Receivable from sales of electricity *(i)*	**31,048**	4,388
– Tariff adjustment receivables *(i)*	**1,134,694**	445,967
– Loan receivables *(ii)*	**493,085**	681,609
– Receivable from provision of solar power plant operation and maintenance services *(i)*	**–**	58,612
	1,658,827	1,208,569
Impairment of trade receivables	**(132,439)**	(67,709)
Trade receivables, net	**1,526,388**	1,140,860
Other receivables		
– Prepaid expenses	**57,135**	90,094
– Value-added-tax ("**VAT**") receivables *(iii)*	**7,509**	10,941
– Consideration receivables in respect of disposal of subsidiaries *(iv)*	**591,350**	634,842
– Amounts due from disposed subsidiaries *(iv)*	**201,431**	50,222
– Security deposits *(v)*	**34,372**	32,848
– Amounts due from independent third parties *(vi)*	**133,520**	233,755
	1,025,317	1,052,702
Impairment of other receivables	**(437,934)**	(267,684)
Other receivables, net	**587,383**	785,018
	2,113,771	1,925,878
Less amount shown under non-current assets:		
– Loan receivables, net	**(4,078)**	(185,863)
– Receivable from health management services, net	**–**	(5,977)
– Consideration receivables in respect of disposal of subsidiaries, net	**(120,293)**	–
	(124,371)	(191,840)
Amount shown under current assets	**1,989,400**	1,734,038

An aging analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**145,151**	651,750
3 to 6 months	**78,811**	29,793
6 to 12 months	**142,030**	50,420
12 to 24 months	**315,844**	112,152
Over 24 months	**844,552**	296,745
	1,526,388	1,140,860

Trade receivables included in a disposal group formerly classified as held for sale in prior year and reclassified back to trade receivables in the consolidated statement of financial position as at 31 December 2024 are as follows:

	2024
	RMB'000
Within 3 months	**20,772**
3 to 6 months	**19,471**
6 to 12 months	**39,687**
12 to 24 months	**79,272**
Over 24 months	**487,204**
	646,406

The movements in the loss allowance for impairment of trade and other receivables are as follows:

	Trade receivables *RMB'000*	**Other receivables** *RMB'000*	**Total** *RMB'000*
At 1 January 2023	32,691	191,102	223,793
Addition through acquisition of subsidiaries	1,036	–	1,036
Impairment loss made during the year	50,296	142,948	193,244
Reversal of impairment loss	(5,497)	(31,471)	(36,968)
Write-off	(10,817)	(34,894)	(45,711)
Transfer to a disposal group classified as held for sale	–	(1)	(1)
At 31 December 2023 and 1 January 2024	67,709	267,684	335,393
Impairment loss made during the year	117,180	170,250	287,430
Reversal of impairment loss	(26,029)	–	(26,029)
Write-off	(26,421)	–	(26,421)
At 31 December 2024	132,439	437,934	570,373

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on historical credit loss experience for groupings of various customer segments with similar loss patterns (i.e., by customer type and profile). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note:

(i) Trade receivables arise from sales of electricity, provision of solar power plant operation and maintenance services, financial services, and health management services. These receivables are generally due within 30 to 180 days (2023: 30 to 180 days) from the date of billing, excluding tariff adjustment receivables.

Tariff adjustment receivables relate to PRC government subsidies for solar power plants, to be received from state-grid companies under electricity sale and purchase agreements and prevailing national policies.

As at 31 December 2024, certain trade and tariff adjustment receivables arising from electricity sales, amounting to approximately RMB675,335,000 (2023: RMB300,336,000), were pledged as collateral for the Group's loans and borrowings.

(ii) The composition of loan receivables is as follows

	2024	2023
	RMB'000	*RMB'000*
Credit loans	**465,490**	607,755
Guaranteed loans	**6,158**	14,537
Collateral-backed loans	**21,437**	59,317
	493,085	681,609

Repayment periods range as follows:

- Credit loans and guaranteed loans: 6-36 months (2023: 2-36 months)

- Collateral backed loans: 6-36 months (2023: 6-36 months)

All loans are denominated in RMB and carry effective annual interest rates of:

- Credit loans and guaranteed loans: 6.0%-24.0% (2023: 6.0%-24.0%)

- Collateral backed loans: 9.0% (2023: 9.0%-15.0%)

(iii) This amount represents VAT paid by the Group in connection with the construction of solar power plants, which is expected to be utilized to offset future VAT payables arising from electricity sales.

(iv) These amounts represent outstanding balances from the disposal of subsidiaries in prior years, arising under equity transfer agreements. The balances are unsecured, interest-free, and repayable in accordance with the settlement terms stipulated in the respective agreements. Management expects full settlement within 12 months after the reporting period.

(v) The Group has placed deposits in accounts held by independent leasing companies. Under the terms of the leasing agreements, the Group has granted these companies the right to offset the full amount of the security deposits against outstanding borrowings owed by the Group to them.

(vi) Except the gross carrying amount of RMB100,000,000 which was secured by collateral provided by an independent third party, bearing interest at 8% per annum with fixed repayment terms, the remaining amount is unsecured, interest-free, and repayable on demand.

12. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Trade payables	**78,422**	24,475
Accruals and other payables	**391,897**	643,922
	470,319	668,397

Aging analysis of trade payables, based on invoice date, are as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**4,167**	11,657
3-6 months	**1,041**	72
6-12 months	**1,638**	28
Over 12 months	**71,576**	12,718
	78,422	24,475

Trade and other payables are non-interest bearing and are expected to be settled within one year.

13. EVENTS AFTER THE REPORTING PERIOD

On 17 January 2025, 江山永泰投資控股有限公司 ("**Kong Sun Yongtai**"), an indirect wholly-owned subsidiary of the Company, entered into an agreement (the "**Agreement**") with Hohhot Jingu Bank for the proposed disposal of 72,600,160 shares in Hohhot Jingu Bank, representing approximately 4.88% of its issued share capital. The total consideration for the disposal is approximately RMB142,396,000 (RMB1.961 per share), with net proceeds expected to amount to approximately RMB142,000,000 after deducting transaction costs.

The completion of the disposal is conditional upon:

- Countersignature of the Agreement by Hohhot Jingu Bank;
- Shareholder approval at an extraordinary general meeting of the Company; and
- The establishment of a new Inner Mongolia rural commercial bank (the "**New Bank**") through the merger of Hohhot Jingu Bank and 93 other entities, which must be registered by 31 December 2025.

The Group expects to recognise a gain of approximately RMB2,120,000 from the disposal, calculated as the difference between the net proceeds and the unaudited carrying value of the shares (RMB139,880,000 as at 30 November 2024). The carrying amount and gain are subject to final audit adjustments. The net proceeds are intended to be used to repay existing indebtedness by 31 December 2025.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the Company:

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the financial statements, which indicates that the Group incurred a net loss of approximately RMB601,128,000 during the year ended 31 December 2024. Additionally, the settlement of the Group's tariff adjustment receivables from the state-grid companies may take longer than originally anticipated by the management. These events or conditions together with other matters set forth in note 2.1 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

BUSINESS REVIEW

The Company is an investment holding company with its subsidiaries mainly engaged in investment in and the operation of solar power plants, provision of financial services and asset management and construction of Digital and Intelligent Traditional Chinese Medicine ("**DI-TCM**") health management and service system and provision of DI-TCM diagnosis and treatment equipment.

SOLAR POWER PLANTS BUSINESS

During the year ended 31 December 2024, the Group continued its investment in and development of solar power plants in the People's Republic of China (the "**PRC**"). As at 31 December 2024, the Group had a total of 290 MW (2023: 290 MW) completed solar power plants as follows:

Completed solar power plants

PRC Province	Number of solar power plants as at 31 December 2024	Capacity of solar power plants
Shaanxi	3	90 MW
Inner Mongolia	1	10 MW
Shanxi	1	20 MW
Anhui	5	140 MW
Hubei	1	30 MW
Total	**11**	**290 MW**

PROVISION OF FINANCIAL SERVICES

The Group's revenue from provision of financial services increased by approximately 73.3% from approximately RMB66,681,000 for the year ended 31 December 2023 to approximately RMB115,528,000 for the year ended 31 December 2024 due to more loans have been made to customers during the year.

HEALTH MANAGEMENT SERVICES

On 30 December 2024, 北京鷹之眼智能健康科技有限公司 (Beijing Eagle Eye Intelligent Health Technology Co., Ltd.*) ("**Beijing Eagle Eye**") was disposed of. Beijing Eagle Eye and its result for the year ended 31 December 2024 were classified as discontinued operations.

RESULTS OF OPERATIONS

Revenue

The Group's revenue decreased by approximately 17.2% from approximately RMB474,793,000 for the year ended 31 December 2023 to approximately RMB392,963,000 for the year ended 31 December 2024. The decrease was due to the decrease in revenue from sales of electricity with the disposals of two solar power plants in the second half of 2023 and the decrease in revenue from provision of solar power plant operation and maintenance services due to the disposal of 60% interests of the business in April 2024.

Revenue from sales of electricity and provision of solar power plant operation and maintenance services

The Group's revenue from sales of electricity decreased by approximately 16.3% from approximately RMB286,256,000 for the year ended 31 December 2023 to approximately RMB239,455,000 for the year ended 31 December 2024. The decrease was due to the decrease in aggregate volume of electricity generated by the Group's grid-connected solar power plants as the result of the disposals of two solar power plants in the second half of 2023. The solar power plants owned by the Group generated electricity in an aggregate volume of 320,412 MWh for the year ended 31 December 2024, representing a decrease of approximately 20.2% as compared to 401,352 MWh for the year ended 31 December 2023.

The Group's revenue from provision of solar power plant operation and maintenance services decreased by approximately 68.8% from approximately RMB121,856,000 for the year ended 31 December 2023 to approximately RMB37,980,000 for the year ended 31 December 2024.

With the completion of the disposal of 60% interests of the solar power plant operation and maintenance services business on in April 2024, it is expected that there will not be any more revenue from this business contribute to the Group in 2025. For details, please refer to the Company's announcement dated 29 January 2024 and the Company's circular dated 20 March 2024.

Revenue from provision of financial services

The Group's revenue from provision of financial services increased by approximately 73.3% from approximately RMB66,681,000 for the year ended 31 December 2023 to approximately RMB115,528,000 for the year ended 31 December 2024 due to more loans were made to customers during the year.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately 1.1% from approximately RMB219,648,000 for the year ended 31 December 2023 to approximately RMB217,257,000 for the year ended 31 December 2024. The gross profit margin of the Group increased from approximately 46.3% for the year ended 31 December 2023 to approximately 55.3% for the year ended 31 December 2024 mainly due to the decrease in portion of revenue from provision of solar power plant operation and maintenance services, which has a lower gross profit margin than that of the revenue from sales of electricity during the year ended 31 December 2024.

Other (losses)/gains, net

The other (losses)/gains, net of the Group changed from net gains of approximately RMB30,295,000 for the year ended 31 December 2023 to net losses of approximately RMB14,441,000 for the year ended 31 December 2024. The change was mainly due to (i) the compensations arising from litigation of approximately RMB22,537,000; and (ii) the decrease in dividend income from financial assets measured of fair value through other comprehensive income of approximately RMB20,250,000.

Administrative expenses

Administrative expenses of the Group decreased by approximately 32.2% from approximately RMB193,473,000 for the year ended 31 December 2023 to approximately RMB131,090,000 for the year ended 31 December 2024. The decrease was mainly attributable to the decrease in total employee benefit expenses of approximately RMB50,300,000 during the year ended 31 December 2024.

Gains/(losses) on disposals of subsidiaries, net

During the year ended 31 December 2024, the Group disposed of certain subsidiaries and recorded net gains on disposal of subsidiaries of approximately RMB38,339,000 (2023: losses of RMB33,770,000).

Impairment loss on a solar power plant

During the year ended 31 December 2024, impairment loss of approximately RMB5,385,000 on a solar power plant was recognised as a result of the impairment test performed on certain completed solar power plant.

No such amount was recorded during the year ended 31 December 2023.

Impairment losses on a disposal group classified as held for sale

As of 31 December 2023, the assets and liabilities of 黃石黃源光伏電力開發有限公司 ("**Huangshi Huangyuan**"), 定邊縣晶陽電力有限公司 ("**Dingbian Jingyang**"), 定邊縣萬和順新能源發電有限公司 ("**Dingbian Wanheshun**"), and 榆林正信電力有限公司 ("**Yulin Zhengxin**") (collectively, the "**2023 Disposal Group**") were classified as a disposal group held for sale. This classification followed the execution of sale and purchase agreements ("**SPAs**") with independent third-party purchasers on 11 August 2023. The principal activities of these subsidiaries, all of which were engaged in the generation and sale of electricity, were expected to be disposed of in accordance with the SPAs.

Management had assessed that the sale was highly probable and expected to complete within twelve months from the reporting date. The disposal did not qualify as a discontinued operation, as it did not represent a major line of business or geographical area of operations.

During the year ended 31 December 2024, the Group ceased to classify the 2023 Disposal Group as held for sale. This change arose due to delays in finalising the transactions pending the conclusion of the national subsidy verification process initiated by the PRC regulatory authorities. As the timing of this verification remains uncertain, the 2023 Disposal Group no longer met the criteria under HKFRS 5 for continued classification as held for sale.

Impairment losses on trade and other receivables, net

During the year ended 31 December 2024, impairment losses of approximately RMB261,401,000 (2023: RMB156,276,000) on trade and other receivables, net was recorded based on the lifetime expected credit losses.

Finance costs

Finance costs of the Group decreased by approximately 40.3% from approximately RMB164,240,000 for the year ended 31 December 2023 to approximately RMB98,070,000 for the year ended 31 December 2024, which was mainly due to the decrease in costs of borrowings of the Group's loans and borrowings during the year ended 31 December 2024.

Solar power plants

As at 31 December 2024, the Group had a net carrying amount of approximately RMB1,397,635,000 (2023: RMB939,706,000) and approximately RMBNil (2023: RMB3,390,000) in completed solar power plants and solar power plants under construction, respectively. As at 31 December 2024, the Group had a total of 290 MW (2023: 290 MW) installed capacity of completed solar power plants.

Interests in associates

As at 31 December 2024, the net carrying amount of associates was approximately RMB128,334,000 (2023: RMB218,533,000).

Interests in joint ventures

As at 31 December 2024, the net carrying amount of joint ventures was approximately RMB202,469,000 (2023: RMB209,748,000).

Right-of-use assets

As at 31 December 2024, the right-of-use assets amounted to approximately RMB117,580,000 (2023: RMB127,197,000).

Financial assets measured of fair value through other comprehensive income

Financial assets measured of fair value through other comprehensive income decreased by approximately 6.2% from approximately RMB595,942,000 as at 31 December 2023 to approximately RMB559,211,000 as at 31 December 2024. The decrease is mainly due to fair value loss which amounted to approximately RMB36,731,000. The investments are held for long-term investment purpose and hence are classified as financial assets measured at fair value through other comprehensive income in the consolidated statement of financial position.

Loans to an associate

As at 31 December 2024, the Group had loans to an associate of approximately RMB124,035,000 (2023: RMB125,498,000). The Group entered into loan agreements with an associate, 江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*) on 11 November 2022 and 11 January 2023, each with a loan period of 3 years term. The loans are unsecured and interest bearing at 9.0% per annum. The loan interest income was approximately RMB10,684,000 during the year (2023: RMB10,684,000).

Trade and other receivables

Trade and other receivables increased by approximately 9.8% from approximately RMB1,925,878,000 as at 31 December 2023 to approximately RMB2,113,771,000 as at 31 December 2024. The increase was mainly due to increase in tariff adjustment receivables that were reclassified from a disposal group formerly classified as held for sale during the year ended 31 December 2024.

Restricted cash

Restricted cash primarily represents cash and cash equivalents with externally imposed usage restrictions arising from ongoing legal proceedings, including court-mandated escrow arrangements. These restrictions are imposed pursuant to litigation settlements or judicial orders and prevent the Group from utilising these funds for general operational purposes.

Trade and other payables

Trade and other payables decreased by approximately 29.6% from approximately RMB668,537,000 as at 31 December 2023 to approximately RMB470,319,000 as at 31 December 2024. The decrease was mainly due to decrease in other payables during the year ended 31 December 2024.

Liquidity and capital resources

As at 31 December 2024, excluding the restricted cash, cash and cash equivalents of the Group was approximately RMB76,705,000 (2023: RMB254,778,000), which included an amount of bank balances of approximately RMB69,644,000 (2023: RMB244,839,000) denominated in RMB placed with banks in the PRC. The remaining balance of the Group's cash and cash equivalents consisted primarily of cash on hand and bank balances which were primarily denominated in Hong Kong dollar and placed with banks in Hong Kong.

As at 31 December 2024, the Group's net debt ratio (or gearing ratio), which was calculated by the total loans and borrowings and corporate bonds minus restricted cash and total cash and cash equivalents, over total equity, was approximately 0.74 (2023: 0.48).

Capital expenditure

During the year ended 31 December 2024, the Group's total expenditure in respect of property, plant and equipment and solar power plants amounted to approximately RMB4,447,000 (2023: RMB906,000) and approximately RMB6,684,000 (2023: RMB1,279,000), respectively.

Loans and borrowings

As at 31 December 2024, the Group's total loans and borrowings was approximately RMB1,814,044,000, representing an increase of approximately 9.3% compared to approximately RMB1,659,216,000 as at 31 December 2023. The increase in the Group's total loans and borrowings was mainly due to reclassification of certain borrowings for the former disposal group during the year ended 31 December 2024. All the loans and borrowings of the Group were denominated in RMB, the functional currency of the Company's major subsidiaries in the PRC. As at 31 December 2024, loans and borrowings of approximately RMB1,044,260,000 (2023: RMB1,172,530,000) and approximately RMB769,784,000 (2023: RMB486,686,000) bear fixed interest rate and floating interest rate, respectively.

As at 31 December 2024, out of the total borrowings, approximately RMB967,383,000 (2023: RMB1,026,803,000) was repayable within one year and approximately RMB846,661,000 (2023: RMB632,413,000) was repayable after one year.

Corporate bonds

As at 31 December 2024, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK$9,000,000 (equivalent to approximately RMB8,334,000) (2023: HK$19,000,000 (equivalent to approximately RMB17,218,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 6% (2023: 3% to 6%) per annum, and will mature on the date immediately following 96 months (2023: 36 to 96 months) after their issuance.

During the year ended 31 December 2024 and 2023, the Group did not issue any corporate bonds.

During the year ended 31 December 2023, the Group did not repay any corporate bonds. During the year ended 31 December 2024, the Group repaid HK$10,000,000 (equivalent to approximately RMB9,128,000) in aggregate principal amount of the corporate bonds.

The corporate bonds are measured at amortised cost using effective interest method by applying an effective interest rate at 10.40% (2023: 10.40%) per annum. Imputed interest of approximately HK$450,000 (equivalent to approximately RMB411,000) (2023: HK$785,000 (equivalent to approximately RMB707,000)) (note 5 to the financial statements in this announcement) in respect of the corporate bonds was recognised in profit or loss during the year ended 31 December 2024.

Lease liabilities

As at 31 December 2024, the lease liabilities amounted to approximately RMB121,067,000 (2023: RMB147,299,000). The decrease is mainly contributed by the discontinued operation during the year ended 31 December 2024.

Foreign exchange risk

The Group primarily operates its business in the PRC and during the year ended 31 December 2024, the Group's revenue were primarily denominated in RMB, being the functional currency of the Group's major operating subsidiaries. Accordingly, the Directors expect any future exchange rate fluctuation will not have any material effect on the Group's business. The Group did not use any financial instruments for hedging purpose, but will continue to monitor foreign exchange changes to best preserve the Group's cash value.

Charge on assets

As at 31 December 2024, the Group had charged solar power plants, trade receivables, unlisted equity investments with net book value and pledged bank deposits of approximately RMB970,437,000 (2023: RMB382,345,000), approximately RMB675,335,000 (2023: RMB300,336,000), approximately RMB256,990,000 (2023: RMB129,543,000) and RMB18,256,000 (2023: RMBNil), respectively, to secure bank loans and other loans facilities granted to the Group.

Save as disclosed above and as at 31 December 2024, the Group had no other charges on assets.

Contingent liabilities

The Group acquired equity interests of certain subsidiaries principally engaged in the development of solar power plant projects and the applications for the development of these solar power plant projects were actually made by their former shareholders. According to certain notices (the "**Notices**") issued by the State Energy Administration（國家能源局）, the Notices prohibit the original applicants who have obtained the approval documents from the government authorities for the solar power plants projects from transferring the equity interests of solar power plant projects before such solar power plants were connected to the power grid. Therefore, these subsidiaries may be subject to fines or other adverse consequences imposed by the relevant PRC government authorities in the future. The relevant PRC government authorities are currently conducting nationwide inspections on matters such as compliance of equity transfer of solar power plants and full grid-connected power generation time. The Group will actively cooperate with the relevant PRC government authorities in inspections if necessary and assess the impact of the inspection results on the development of the Group's solar power plants in a timely manner.

Save as disclosed above, as at 31 December 2023 and 2024, the Group has no other significant contingent liabilities.

Employees and remuneration policy

As at 31 December 2024, the Group had approximately 101 (2023: 1,375) employees in Hong Kong and the PRC. Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the year ended 31 December 2024, the total employee benefit expenses (including directors' emoluments) were approximately RMB130,787,000 (2023: RMB234,962,000). For details, please refer to note 6 in the financial statements to this announcement. The remuneration policy of the Group is to provide remuneration packages, including basic salary and short-term bonuses, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, and when occasion requires.

SIGNIFICANT INVESTMENTS

During the year ended 31 December 2024 and as at 31 December 2024, the Group did not have any significant investments with a value of 5% more of the Company's total assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

On 29 January 2024, 揚州啓星新能源發展有限公司 (Yangzhou Qixing New Energy Development Limited*) ("**Yangzhou Qixing**"), an indirect wholly-owned subsidiary of the Company, as the vendor and 北京億鑫豐泰科技合夥企業(有限合夥) (Beijing Yixin Fengtai Technology Partnership (Limited Partnership)*) ("**Beijing Yixin**") as the purchaser entered into an agreement, pursuant to which Yangzhou Qixing conditionally agreed to sell, and Beijing Yixin conditionally agreed to acquire, 60% equity interests in 陝西億潤新能源科技有限公司 (Shaanxi Yirun New Energy Technology Co., Ltd.*) for a total consideration of RMB4,200,000 (the "**Disposal**"). Completion of the Disposal took place on 17 April 2024. For details, please refer to the Company's announcements dated 29 January 2024 and 9 April 2024 and the Company's circular dated 20 March 2024.

On 15 August 2024, 深圳市江天永健科技有限公司 (Shenzhen Jiangtian Yongjian Technology Company Limited*) (a wholly-owned subsidiary of the Company) (the "**Purchaser**"), QUBOT Holdings Limited (the "**Vendor**") and 北京思博慧醫科技有限公司 (the "**Target Company**"), among others, entered into an agreement, pursuant to which (i) the Purchaser conditionally agreed to subscribe for equity interest in the Target Company representing 20% of the total equity interest of the Target Company immediately after this subscription for a subscription price of RMB36,000,000 (the "**Subscription**"); and (ii) the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the sale interest representing 10% of the total equity interest of the Target Company immediately after the Subscription for a total consideration of RMB14,000,000 (the "**Acquisition**"), such that upon completion of the Subscription and the Acquisition, the Purchaser will be interested in 30% equity interest in the Target Company. The Target Company will not become a subsidiary of the Company as a result of the Subscription and the Acquisition and its financial results will not be consolidated in the financial statements of the Group. For details, please refer to the Company's announcement on 15 August 2024.

On 30 December 2024, the Group entered into an equity transfer agreement with 上海仟榮臻投資諮詢有限公司 (Shanghai Qianrongzhen Investment Consulting Co., Ltd.*) in relation to the disposal of 69.45% equity interest in Beijing Eagle Eye for a total consideration of RMB1 (the "**Beijing Eagle Eye Disposal**"). The Beijing Eagle Eye Disposal was completed on 30 December 2024.

References are made to the Company's announcement dated 11 August 2023 and the Company's circular dated 31 August 2023 in relation to the disposal of certain subsidiaries engaged in solar power generation in the PRC. The disposal of 嵊州懿輝光伏發電有限公司 (Shengzhou Yihui Photovoltaic Power Generation Limited*) ("**Shengzhou Yihui**") and 定邊縣智信達新能源有限公司 (Dingbian County Zhixinda New Energy Limited*) ("**Dingbian County Zhixinda**") was completed in 18 October 2023 and 20 October 2023, respectively. As at the date of this announcement, completion of the disposal of Huangshi Huangyuan, Dingbian Jingyang, Dingbian Wanheshun and Yulin Zhengxin had not taken place yet. The Company will continue to maintain close communications with the purchasers with the aim to pushing forward completion of the above disposals as soon as practicable.

On 11 August 2023, the Group entered into six equity transfer agreements with 新華電力發展投資有限公司 (Xinhua Electricity Development Investment Limited*) to dispose of the entire equity interests in the following six subsidiaries engaged in solar power generation in the PRC: (i) Dingbian Wanheshun, (ii) Huangshi Huangyuan, (iii) Yulin Zhengxin, (iv) Shengzhou Yihui, (v) Dingbian Jingyang and (vi) Dingbian County Zhixinda, for a total consideration of approximately RMB758,028,000. The disposals constituted a very substantial disposal of the Company under Chapter 14 of the Listing Rules and was approved by the Company's shareholders on 20 September 2023. The disposals of the entire equity interest in Shengzhou Yihui and Dingbian Country Zhixinda were completed on 18 October 2023 and 20 October 2023 respectively. Details of the disposals are set out in the Company's announcement dated 11 August 2023 and the Company's circular dated 31 August 2023.

On 28 December 2023, the Group entered into an equity transfer agreement with 江山金投控股有限公司 (Jiangshan Financial Investment Holdings Co., Ltd.*) in relation to the acquisition of 69.45% equity interest in Beijing Eagle Eye for a total consideration of RMB6,000,000 (the "**Beijing Eagle Eye Acquisition**"). Beijing Eagle Eye is a national high-tech enterprise focusing on digital Chinese medicine full life cycle health management services and the construction and operation of a comprehensive health ecosystem. The Beijing Eagle Eye Acquisition constituted a connected transaction of the Company under Chapter 14A of the Listing Rules and was completed on 29 December 2023. For details of the Beijing Eagle Eye Acquisition, please refer to the Company's announcement dated 28 December 2023.

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, joint ventures and associated companies by the Company during the year ended 31 December 2024 and 2023.

PROSPECT

The prices of solar power generation equipment remained low in 2024, which is likely to support further growth in global solar power installations. However, trade frictions, challenges related to consumption and absorption, and uncertainties surrounding renewable energy support policies in European and American countries could potentially affect the pace of market growth.

In 2024, benefiting from the policy support from all levels of the Chinese government and declining investment costs, China's clean energy industry continued to develop steadily, and the solar power generation industry grew rapidly as the installed capacity continued to expand. According to the data released by the National Energy Administration, in 2024, China's newly installed solar power generation capacity was approximately 280 million KW, and the cumulative installed capacity was approximately 890 million KW, representing a year-on-year increase of 45.2%.

Looking forward, the Group will continue the strategies on the operation of solar power plants, optimize asset allocation efficiency and step up to improve the efficiency of the equipment at the power stations, continue to develop its green finance and inclusive finance business, meanwhile further explore the diversified development, strive to improve the Group's operation structure and operating results, so as to maximize the return of the assets and value for the shareholders.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence to the Company and the Company's accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules for its corporate governance practices during the year ended 31 December 2024. In the opinion of the Board, the Company has complied with the code provisions as set out in Part 2 of the CG Code throughout the year ended 31 December 2024.

FINAL DIVIDEND

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

EVENTS AFTER THE REPORTING PERIOD

For details of events after the reporting date, please refer to note 13 in this announcement.

Save as disclosed above, there were no material events of the Group after 31 December 2024 up to the date of this announcement.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**") as the code for dealing in securities of the Company by the Directors during the year ended 31 December 2024. The Board confirms that, having made specific enquiries with all Directors, all Directors have complied with the required standards of the Model Code for the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has been established in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting and internal control principles of the Company and to assist the Board to fulfill its responsibilities over audit.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2024 and has also reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters.

The Audit Committee currently consisted of three independent non-executive Directors: Ms. Wu Wennan, Mr. Tang Jian and Ms. Tang Yinghong. Ms. Wu Wennan serves as the chairman of the Audit Committee.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") to, among other things, approve and adopt the audited consolidated financial statements of the Company for the year ended 31 December 2024 will be held on Friday, 6 June 2025. A notice convening the AGM will be published and (if applicable) dispatched to the shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS TO ASCERTAIN SHAREHOLDERS' ENTITLEMENT TO ATTEND AND VOTE AT THE AGM

The Company's register of members will be closed from Monday, 2 June 2025 to Friday, 6 June 2025 (both days inclusive), during which no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 May 2025.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of the Stock Exchange at http://www.hkexnews.hk and on the Company's website at www.kongsun.com. The annual report for the year ended 31 December 2024 of the Group containing all the information required by the Listing Rules will also be published on the same websites and (if applicable) dispatched to the shareholders of the Company in due course.

SCOPE OF WORK PERFORMED BY AUDITOR

The financial information has been reviewed by the Audit Committee and approved by the Board. The figures in respect of the Group's consolidated statement of financial position, 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 Company's auditor, Suya WWC CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Suya WWC CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Suya WWC CPA Limited on this preliminary results announcement.

By order of the Board
Kong Sun Holdings Limited
Mr. Jiang Hengwen
Chairman and non-executive Director

Hong Kong, 31 March 2025

As of the date of this announcement, the Board comprises three executive Directors, Mr. Hua Min, Mr. Li Guo and Ms. Liu Ying, two non-executive Directors, Mr. Jiang Hengwen and Mr. Wu Zhenzhou, and three independent non-executive Directors, Mr. Tang Jian, Ms. Tang Yinghong and Ms. Wu Wennan.

* *For identification purposes only*