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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 987)

(website: www.cre987.com)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the "Board") of China Renewable Energy Investment Limited (the "Company" or "CRE") wishes to present the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Unaudited Six months ended 30 June	
	Note	**2025**	2024
		HK$'000	*HK$'000*
Revenue	5	**94,176**	74,299
Cost of sales		**(61,298)**	(63,807)
Gross profit		**32,878**	10,492
Other income	5	**3,614**	2,942
Administrative expenses		**(16,620)**	(14,881)
Operating profit/(loss)	6	**19,872**	(1,447)
Finance income	7	**2,585**	1,326
Finance costs	7	**(4,910)**	(8,340)
Finance costs – net	7	**(2,325)**	(7,014)

	Note	Unaudited Six months ended 30 June 2025 HK$'000	2024 HK$'000
Share of results of associates		**21,154**	22,134
Profit before income tax		**38,701**	13,673
Income tax expense	*8*	**(7,756)**	(3,285)
Profit for the period		**30,945**	10,388
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences of the Company and its subsidiaries		**21,344**	(21,951)
Currency translation differences of associates		**16,715**	(17,391)
Other comprehensive income/(loss) for the period, net of tax		**38,059**	(39,342)
Total comprehensive income/(loss) for the period		**69,004**	(28,954)
Profit/(loss) attributable to:			
Equity holders of the Company		**32,475**	11,662
Non-controlling interests		**(1,530)**	(1,274)
		30,945	10,388
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**70,733**	(27,779)
Non-controlling interests		**(1,729)**	(1,175)
		69,004	(28,954)
Earnings per share attributable to equity holders of the Company (expressed in HK cents per share)			
Basic and diluted earnings per share	*10*	**1.30**	0.47

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	**Unaudited 30 June 2025 HK$'000**	Audited 31 December 2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**729,588**	751,858
Construction in progress		**2,250**	2,124
Right-of-use assets		**11,434**	11,765
Intangible assets		**537**	720
Prepayments and other receivables	*11*	**2,596**	8,598
Interests in associates		**778,688**	759,440
Total non-current assets		**1,525,093**	1,534,505
Current assets			
Inventories		**9,229**	9,131
Trade and other receivables	*11*	**399,438**	355,307
Cash and cash equivalents		**244,407**	232,170
Total current assets		**653,074**	596,608
Total assets		**2,178,167**	2,131,113
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**25,062**	25,062
Reserves		**1,864,775**	1,806,573
Equity attributable to equity holders of the Company		**1,889,837**	1,831,635
Non-controlling interests		**(11,782)**	(10,053)
Total equity		**1,878,055**	1,821,582

	Note	**Unaudited 30 June 2025** *HK$'000*	Audited 31 December 2024 *HK$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**184,930**	195,261
Deferred income tax liabilities		**27,727**	27,835
Total non-current liabilities		**212,657**	223,096
Current liabilities			
Trade and other payables	*12*	**50,651**	51,268
Current portion of bank borrowings		**33,460**	32,371
Current income tax liabilities		**3,344**	2,796
Total current liabilities		**87,455**	86,435
Total liabilities		**300,112**	309,531
Total equity and liabilities		**2,178,167**	2,131,113

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

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

This unaudited condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars (HK$ thousand or HK$'000), unless otherwise stated. This unaudited condensed consolidated interim financial information was approved for issue by the board of directors of the Company (the "Board") on 28 August 2025.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

3 ACCOUNTING POLICIES

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025, for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 21	Lack of Exchangeability

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

5 REVENUE AND OTHER INCOME

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

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Revenue		
Sales of electricity	**94,176**	74,299
Other income		
Value-added tax refund	**2,669**	2,909
Gain on disposal of property, plant and equipment	**–**	14
Others	**945**	19
	3,614	2,942

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

Included in sales of electricity of HK$49.9 million (six months ended 30 June 2024: HK$39.7 million) represents tariff subsidies owed by the state-owned grid companies which are financed by the national renewable energy fund to renewable energy projects in the PRC. Tariff subsidy is recognised as sales of electricity and receivables from state-owned grid companies in accordance with the relevant power purchase agreements.

For the six months ended 30 June 2025, the Group's revenue for reportable segment from external customers of HK$94.2 million (six months ended 30 June 2024: HK$74.3 million) is only attributable to the China market.

For the six months ended 30 June 2025, the Group has two customers with revenue exceeding 10% of the Group's total revenue (six months ended 30 June 2024: three customers). Revenues from the customers amounted to HK$48.2 million and HK$36.9 million (six months ended 30 June 2024: HK$38.2 million, HK$24.3 million and HK$9.5 million) respectively.

6 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is arrived at after charging the following items:

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Auditor's remuneration	**(250)**	(330)
Amortisation of intangible assets	**(215)**	(332)
Depreciation of property, plant and equipment	**(47,884)**	(48,548)
Depreciation of right-of-use assets	**(711)**	(711)
Net exchange loss	**(2,538)**	(750)
Employee benefit expenses (including directors' emoluments)	**(12,855)**	(12,432)
Rental expenses relating to short-term leases	**(1,067)**	(1,051)
Corporate expenses	**(521)**	(447)
Legal and professional fees	**(285)**	(476)
Management service fee	**(1,129)**	(1,129)
Repair and maintenance expenses	**(1,998)**	(1,811)

7 FINANCE INCOME AND COSTS

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Finance costs:		
– interest expenses on bank borrowings	**(4,910)**	(8,340)
Finance income:		
– interest income on bank deposits	**2,585**	1,326
Finance costs – net	**(2,325)**	(7,014)

8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Current income tax	**(7,843)**	(1,665)
Withholding tax on dividends	**(1,633)**	(3,160)
Deferred income tax credit, net	**1,720**	1,540
Income tax expense	**(7,756)**	(3,285)

9 DIVIDENDS

The 2024 final dividend of HK$0.5 cents per ordinary shares, amounting HK$12,531,000 was paid on 24 June 2025 to the shareholders of the Company.

On 28 August 2025, the Board has resolved not to declare any interim dividend for the six months ended 30 June 2025.

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

10 EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
Profit attributable to equity holders of the Company *(HK$ thousand)*	**32,475**	11,662
Weighted average number of ordinary shares in issue *(thousand)*	**2,506,157**	2,506,157
Earnings per share *(HK cents per share)*	**1.30**	0.47

Basic and fully diluted earnings per share are the same as the Company did not have any dilutive equity instruments throughout the six months ended 30 June 2025 and 2024.

11 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

		As at	
		30 June 2025	31 December 2024
	Note	***HK$'000***	*HK$'000*
Non-current			
Other receivables	*(b)*	**2,596**	8,598
Current			
Trade receivables	*(a)*	**364,494**	322,330
Prepayments and other receivables	*(b)*	**34,944**	32,977
		399,438	355,307
		402,034	363,905

Notes:

(a) The ageing analysis of trade receivables based on the Group's revenue recognition policy at 30 June 2025 and 31 December 2024, was as follows:

	As at	
	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
Less than 30 days	**24,165**	35,272
More than 30 days and within 60 days	**11,085**	8,841
More than 60 days and within 90 days	**11,309**	6,302
More than 90 days	**317,935**	271,915
	364,494	322,330

The ageing analysis of trade receivables by invoice date at 30 June 2025 and 31 December 2024, was as follows: *(Note i)*

	As at	
	30 June 2025	31 December 2024
	HK$'000	*HK$'000*
Less than 30 days	**354,458**	312,598
More than 30 days and within 60 days	**–**	–
More than 60 days and within 90 days	**–**	–
More than 90 days	**10,036**	9,732
	364,494	322,330

Note i:

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

Included in the Group's trade receivables were tariff subsidy receivables of HK$356.6 million (31 December 2024: HK$308.1 million) which represented the government subsidies on renewable energy projects to be received from the state-owned grid companies. The tariff subsidy receivables will be settled upon the Ministry of Finance ("MoF")'s allocation of the national renewable energy fund to the state-owned grid companies. The MoF does not set out a rigid timetable for the settlement of tariff subsidy receivables. In the opinion of the directors, given the collection of tariff subsidy receivables is well supported by the government policy, all tariff subsidy receivables were expected to be fully recoverable. As the collection of tariff subsidy receivables is expected in the normal operating cycle, they are classified as current assets.

Tariff subsidy receivables of HK$346.5 million (31 December 2024: HK$298.4 million) was unbilled and has been classified under 'less than 30 days' in the above ageing analysis, while the remaining of HK$10.1 million (31 December 2024: HK$9.7 million) has issued invoices.

(b) Included in current and non-current other receivables were input value-added taxation recoverable of HK$13.8 million (31 December 2024: HK$19.4 million) arising from purchase of property, plant and equipment, and dividend receivables from associates of HK$11.5 million (31 December 2024: HK$14.5 million).

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

12 TRADE AND OTHER PAYABLES

	As at	
	30 June	31 December
	2025	2024
	HK$'000	*HK$'000*
Trade payables	**484**	481
Payables for acquisition and construction of property, plant and equipment	**46,316**	43,114
Other payables and accruals	**3,851**	7,673
	50,651	51,268

The ageing analysis of trade payables by invoice date at 30 June 2025 and 31 December 2024, was as follows:

	As at	
	30 June	31 December
	2025	2024
	HK$'000	*HK$'000*
Less than 12 months	**484**	481
12 months and more	**–**	–
	484	481

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30 June 2025, China Renewable Energy Investment Limited ("CRE" or the "Company", and with its subsidiaries, collectively, the "Group") recorded HK$94.2 million in turnover, a 27% increase compared to last year's HK$74.3 million as wind resources improved considerably in the first half of the year. Gross profit for the period increased 213% to HK$32.9 million (six months ended 30 June 2024: HK$10.5 million). Finance costs have been reduced as the Group has repaid loans without incurring additional capital expenditures, dropping from HK$8.3 million in the interim period 2024 to HK$4.9 million in 2025.

For the Group's associate company wind farms, wind conditions were also good during the first half of 2025. However, since April 2024, the Group no longer receives tariff subsidies for its windfarms at Danjinghe and Changma. This has been expected as both wind farms reached the 30,000 hours of wind power dispatch subsidy allowed by the original contract. As a result, net profit from the associates decreased 4% to HK$21.2 million as compared to last year's HK$22.1 million.

The Group experienced increased curtailment and lower power tariffs as more of the Group's power were sold at market rates. However, this year's strong wind resources more than compensated. Overall, the Group's net profit after tax attributable to the equity holders of the Group for the six months ended 30 June 2025 increased 178% to HK$32.5 million or earnings per share of HK1.30 cents. For the same period in 2024, net profit after tax attributable to the equity holders of the Group was HK$11.7 million or earnings per share of HK0.47 cents.

Liquidity and Financial Resources

As at 30 June 2025, the Group's total bank borrowings was HK$218.4 million as compared to HK$227.6 million as at 31 December 2024. The difference was mainly due to the repayment of principal for existing project loans.

The bank borrowings include project loans and corporate bank loan facilities. Project loans were interest-bearing RMB bank loans used to finance the Group's wind farm projects in the People's Republic of China ("China"), with interest rates based on the People's Bank of China rates or Loan Prime Rate. The corporate bank loan facilities were interest-bearing HKD bank loans, with interest rates based on the Hong Kong Interbank Offered Rate. The maturity dates for the Group's outstanding bank borrowings were as follows: HK$33.5 million is repayable within one year, HK$134.1 million repayable within two to five years and HK$50.8 million repayable after five years.

As at 30 June 2025, bank deposits and cash of the Group was HK$244.4 million as compared to HK$232.2 million as at 31 December 2024. The difference was mainly related to the combined effect of dividend received from a subsidiary and associates, repayment of principal for existing project loans and payment of 2024 final dividend.

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

Details of Charges in Group Assets

The Group's subsidiaries have charged their assets including wind power equipment and trade receivables, with a carrying value of approximately RMB464.4 million (equivalent to HK$508.2 million) as security for the bank borrowings as at 30 June 2025. Such assets, with a carrying value of approximately RMB460.6 million (equivalent to HK$488.7 million), were charged as at 31 December 2024.

Gearing Ratio

As at 30 June 2025, the Group's net gearing ratio, defined as the total borrowings plus the amount due to a shareholder, less bank deposits and cash, divided by total equity, was 0% as compared to 0% as at 31 December 2024.

Contingent Liabilities

The Group did not have any contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

BUSINESS REVIEW

China's economy performed better than expected in the first half of the year, with GDP rising 5.3%. With an improved economy and increasing electrification across different industries, demand for electric power has increased. Demand is supported by the increased use of electricity in industries such as electric cars and data centres required for AI. Total power consumption in China increased 3.7% as compared to 2024, reaching 4,842,000 Giga-Watt-hours ("GWh") in the first half of 2025.

Reflecting the government's goal to increase renewable energy, and a 1 June deadline that new projects will be required to sell electricity without subsidies, China's wind and solar power generation capacity increased strongly, rising 22.7% and 54.2% respectively to an aggregate total of 672 Giga-Watt ("GW") and 1,317 GW respectively. Total wind power output was 588,000 GWh, an increase of around 15.6% compared to 2024, accounting for 12.1% of total power generation across the country. Total solar power output was 559,100 GWh, an increase of around 42.9% compared to 2024, accounting for 11.5% of total power generation across the country.

As at 30 June 2025, the Group has eight wind farms and one distributed solar project under operation. Total gross power generating capacity is 738 MW and net power generating capacity is 427MW.

The wind conditions in the areas that the company operates in Gansu, Hebei, Henan and Inner Mongolia provinces improved significantly compared to the 2024 interim period. Songxian windspeeds rose by 21% to 5.8 m/s), Siziwang Qi Phase 1 by 9% to 6.4 m/s, Siziwang Qi Phase 2 by 8% to 6.6 m/s, Danjinghe by 12% to 6.6 m/s), Lunaobao by 13% to 7.6 m/s), and Changma by 10% to 6.9 m/s. Mudanjiang wind speeds remained the same at 5.3 m/s. With the higher wind speeds, total power dispatch of the company's wind farms in the first half of 2025 reached 848.7 GWh or 1,156 utilization hours, an increase of 23% compared to 690.6 GWh or 941 utilization hours in the 2024 interim period.

However, CRE was somewhat impacted by increased curtailment in the first half of the year. With all the new windfarms commissioned, the grid has not been able to absorb all the increased renewable energy power capacity. As a result, for CRE, curtailment increased to 10.7% compared to 6.5% during the same period in 2024. The elimination of subsidies for the Group's windfarms which reached the 30,000 hours of wind power dispatch as stipulated in the original contracts was expected. However, CRE has also been required to sell more of its power at market prices. As a result, excluding the elimination of contractual tariff subsidies for Danjinghe and Changma, CRE's average power tariffs declined 4.8% year on year during the interim period.

Mudanjiang and Muling Wind Farms

Mudanjiang and Muling wind farms, located in Heilongjiang province, have a total of 59.5 MW of wind power capacity. The wind farms started commercial operation in the fourth quarter of 2007. The Group holds majority stakes of 86% and 86.7% respectively. During the first six months of 2025, wind resources were slightly better than last year's interim period, but the curtailment was higher. Mudanjiang and Muling wind farms dispatched power of approximately 22.9 GWh, which was equivalent to 386 utilization hours, 5.4% lower than last year's power dispatch of 24.2 GWh (equivalent to 407 utilization hours).

Siziwang Qi Phase I and II Wind Farms

Siziwang Qi Phase I and II wind farms have a total of 99 MW of wind power capacity and are wholly-owned by the Group. They are located 16 kilometres north of Wulanhua under Siziwang Qi of Western Inner Mongolia. Commercial operation of Phase I and II started in January 2011 and January 2015 respectively. During the first six months of 2025, wind resources were better than last year. However, curtailment at Siziwang Qi Phase I increased from 3.9% in 2024 to 14.1% in 2025; and at Siziwang Qi Phase II increased from 4.1% to 10.6% in 2025. Siziwang Qi Phase I and II wind farms dispatched power of approximately 111.2 GWh, which was equivalent to 1,123 utilization hours, 3.9% higher than last year's power dispatch of 107.0 GWh (equivalent to 1,080 utilization hours).

Danjinghe Wind Farm

The Group has a 40% effective equity interest in the 200 MW Danjinghe wind farm located in Hebei. The majority and controlling shareholder is the wind power division of China Energy Conservation and Environmental Protection Group ("CECEP"), which holds 60%. The entire wind farm commenced commercial operation in September 2010. As this project was obtained through the national tendering process, the wind farm experienced no curtailment. During the first six months of 2025, wind resources were better than last year. Danjinghe project dispatched power of approximately 243.9 GWh, which was equivalent to 1,219 utilization hours, 24% higher than last year's power dispatch of 196.7 GWh (equivalent to 983 utilization hours).

Changma Wind Farm

Changma wind farm, located in Gansu province, is a joint venture with CECEP. The Group has a 40% effective interest in the project company. The 201 MW wind farm started commercial operation in November 2010. As this project was also obtained through the national tendering process, the wind farm experienced no curtailment. During the first six months of 2025, wind resources were better than last year. Changma project dispatched power of approximately 254.0 GWh, which was equivalent to 1,264 utilization hours, 19.7% higher than last year's power dispatch of 212.2 GWh (equivalent to 1,056 utilization hours).

Lunaobao Wind Farm

Lunaobao wind farm is a joint venture with CECEP and is adjacent to the Danjinghe wind farm. The Group has a 30% effective equity interest. The wind farm capacity is 100.5 MW and started commercial operation in February 2011. Unlike Danjinghe, Lunaobao was not obtained through the national tendering process, hence it does not enjoy low curtailment. Wind resources in the first half of 2025 were better than 2024. However, curtailment increased from 18.9% in 2024 to 27.6%. In total, Lunaobao dispatched power of approximately 123.4 GWh, which was equivalent to 1,228 utilization hours, 18.2% higher than last year's power dispatch of 104.4 GWh (equivalent to 1,039 utilization hours).

Songxian Wind Farm

Songxian wind farm, located in Songxian of Luoyang city in Henan province, has a total of 74 MW wind power capacity and is wholly owned by the Group. The first 36 MW wind power capacity commenced commercial operation in February 2019, and the entire 74 MW started full operation from May 2020. During the first half of 2025, wind resources were significantly better than last year. However, curtailment increased from 7.7% in 2024 to 15.6% during the interim period. Songxian project dispatched power of approximately 93.3 GWh, which was equivalent to 1,261 utilization hours, 102.4% higher than last year's power dispatch of 46.1 GWh (equivalent to 623 utilization hours). Last year's dispatch was impacted by an unusually cold winter which resulted in the freezing of some of the Group's wind turbines.

Nanxun Distributed Solar Project

Nanxun distributed solar project is located in Nanxun district of Huzhou city in Zhejiang province, and is the Group's first wholly-owned distributed rooftop solar project. The 4 Mega-Watt-peak ("MWp") distributed solar project was installed over 60,000 square meters of rooftops on Nanxun International Building Materials City, a commercial complex owned by CRE's parent company, HKC (Holdings) Limited. Power generated is sold to Nanxun International Building Materials City and any excess power is sold to the local grid company. The project commenced commercial operation in March 2018. During the first six months of 2025, the power dispatched was approximately 2.4 GWh, which was equivalent to 607 utilization hours. The performance was 9.1% higher than last year's power dispatch of 2.2 GWh (equivalent to 556 utilization hours).

BUSINESS MODEL AND RISKS MANAGEMENT

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

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

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

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

OUTLOOK

China's economy has performed better than expected during the first half of 2025. According to the National Bureau of Statistics, GDP expanded 5.3% in the first half of the year. China is on target to reach its 5% target GDP growth rate for the full year, and ahead of the forecasts made at the end of last year by private economists. China has performed above expectations despite the conflict with the U.S. when both countries raised tariffs on each other, with the tariff rate at one point reaching 145% on Chinese imports. A major reason for China's success is that it has continued to increase its exports to the rest of the world. In June, exports increased 5.8% year on year despite a decline in exports to the U.S. China also benefitted from consumer goods trade-in-programs to stimulate domestic demand and various policies to stimulate the moribund property industry.

With the improved economy and increased use of electricity for cars, AI data centers, and other industries, demand for electricity is continuing to increase moderately. Moreover, the government continues to promote the use of renewable energy. On 2 July, the NDRC (National Development and Reform Commission) and NEC (National Energy Administration) announced that the renewable energy consumption ratio for steel, cement, and polysilicon should be between 25.2% and 70%. For data centers, it should be over 80%.

However, curtailment is of concern given wind and solar installations soared ahead of the 1 June deadline, the cutoff date when power from new projects is required to be sold at market-based rates. Recognizing the problem with curtailment, the government is building more high-voltage transmission lines.

Another area of concern is that more provinces are seeking to increase the percentage of power sold at market rates. With this goal of going toward market rates, most regions in China have had trial operations for spot markets. This could result in lower power tariffs in the future. The Group is still evaluating the country's sustainable new-energy pricing mechanism. Each province's annual clean-energy installation quota will be paid a fixed price determined at auction. The government states that there will be a contract-for-difference (CFD) tariff mechanism for new wind power projects, similar to the UK's "contract for difference" mechanism.

CRE hopes that the government will provide the proper incentives for continuing investment and is waiting for final details on local tariff policies. The Group has decided to pause its development of new wind farms until there is more clarity on the prices for tariffs, the amount of demand for a project's wind power, and the extent of curtailment. The Group is focused on returns and will not make new investments unless it is convinced of a reasonable return. CRE will also consider investments in other countries if returns in China are not reasonable.

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

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

Employees

As at 30 June 2025, the Group's operations in Hong Kong and Mainland China employed a total of 92 employees. Our core requirement is to ensure that we attract, retain and deploy employees with the capabilities needed to secure, develop, construct and operate our assets. In 2025, we have strengthened our resources and capabilities through a combination of external recruitment and internal transfers of staff. These have enabled us to enhance performance through common standards and processes in safety, project management and asset management. The Group has also appointed technical consultants on contract terms when deemed necessary for the development of new projects and for operation of existing projects. All employees are remunerated according to the nature of their jobs, their individual performances, the Group's overall performance, and the prevailing marketing conditions.

Environmental, Social and Governance Issues

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

The Group has 738 MW of operating wind farms and a distributed solar project in Gansu, Hebei, Heilongjiang, Henan, Inner Mongolia and Zhejiang provinces. Most of our projects are located in remote northern regions. They greatly benefit the economic development of the local areas through investment, by reducing local pollution and carbon emissions, and by contributing to the local community through the hiring of local staff who are given fair market-based remuneration packages. In the first half of 2025, CRE's operating assets complied with all local environmental related regulatory requirements. With a total electricity generation of 851.2 GWh, we have reduced approximately 276,000 tons of coal consumption and 657,000 tons of carbon emission.

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

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

INTERIM DIVIDEND

The Board do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive directors of the Company (the "Director(s)") with written terms of reference in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and reports to the Board. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025, which has also been reviewed by the Company's auditor, Moore CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company has complied with the code provisions (the "Code Provisions") and certain recommended best practices set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025, except for the following:

Code Provision C.2.1

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2025.

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

PUBLICATION OF INTERIM REPORT

The 2025 interim report will be published on the websites of the Company (www.cre987.com) and the Stock Exchange (www.hkexnews.hk) and dispatched to the shareholders of the Company (upon requested) in due course.

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

Hong Kong, 28 August 2025

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