China Hongqiao Group Limited
中國宏橋集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)
Stock Code : 1378

2024 ANNUAL REPORT

Contents

Financial Highlights

(Prepared in accordance with the IFRS)

COMPARISON OF KEY FINANCIAL FIGURES

Results

	For the year ended 31 December (RMB'000)				
	2020	2021	2022	2023	**2024**
Revenue	86,144,641	114,490,941	131,699,427	133,623,632	**156,168,720**
Gross profit	19,355,188	30,453,096	18,239,300	20,954,597	**42,162,692**
Gross profit margin (%)	22.5	26.6	13.8	15.7	**27.0**
Profit before tax	12,704,350	22,553,934	12,606,558	15,890,464	**32,797,312**
Net profit attributable to owners of the Company	10,495,936	16,073,342	8,701,953	11,460,678	**22,372,331**
Net profit margin (%)	12.1	14.7	7.4	9.4	**15.7**
Basic earnings per share (RMB)	1.2210	1.7720	0.9358	1.2095	**2.3611**

Assets and liabilities

	As at 31 December (RMB'000)				
	2020	2021	2022	2023	**2024**
Total assets	181,531,000	188,420,922	185,741,791	200,320,085	**229,165,032**
Equity	76,801,670	92,438,829	96,305,777	106,256,445	**118,613,498**
Total liabilities	104,729,330	95,982,093	89,436,014	94,063,640	**110,551,534**
Return on equity [note 1] (%)	14.6	19.9	10.4	12.3	**21.8**
Current ratio (%)	133	164	123	118	**143**
Accounts receivable turnover (days)	44	28	16	14	**18**
Inventory turnover (days)	114	92	96	115	**114**
Accounts payable turnover (days)	75	60	47	39	**42**

Note 1: Calculated based on average equity.

Corporate Information

EXECUTIVE DIRECTORS

Mr. Zhang Bo *(Chairman, Chief Executive Officer, Authorised Representative)*
Ms. Zheng Shuliang *(Vice Chairman)*
Ms. Zhang Ruilian *(Vice President, Chief Financial Officer)*
Ms. Wong Yuting *(Head of Corporate Finance Department)*

NON-EXECUTIVE DIRECTORS

Mr. Yang Congsen
Mr. Zhang Jinglei
Mr. Tian Mingming *(Mr. Zhang Hao as his alternate)*
Ms. Sun Dongdong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wen Xianjun
Mr. Han Benwen
Mr. Dong Xinyi
Ms. Fu Yulin

CHIEF FINANCIAL OFFICER

Ms. Zhang Ruilian

COMPANY SECRETARY

Ms. Zhang Yuexia

AUDIT COMMITTEE

Mr. Han Benwen *(Chairman of the Audit Committee)*
Mr. Wen Xianjun
Mr. Dong Xinyi

NOMINATION COMMITTEE

Mr. Zhang Bo *(Chairman of the Nomination Committee)*
Mr. Han Benwen
Ms. Fu Yulin

REMUNERATION COMMITTEE

Mr. Han Benwen *(Chairman of the Remuneration Committee)*
Mr. Zhang Bo
Mr. Wen Xianjun

SUSTAINABILITY COMMITTEE

Mr. Zhang Bo *(Chairman of the Sustainability Committee)*
Ms. Zheng Shuliang
Mr. Yang Congsen
Mr. Zhang Jinglei
Ms. Zhang Ruilian
Ms. Wong Yuting
Ms. Sun Dongdong

AUTHORISED REPRESENTATIVES

Mr. Zhang Bo
Ms. Zhang Yuexia

PLACE OF BUSINESS IN HONG KONG

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HEAD OFFICE IN THE PRC

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Zouping City
Shandong Province
the PRC

CAYMAN ISLANDS REGISTERED OFFICE

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P.O. Box 31119
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802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

INTERNATIONAL AUDITOR

SHINEWING (HK) CPA Limited
Registered Public Interest Entity Auditor

Corporate Information

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Shops 1712-1716, 17th Floor
Hopewell Centre
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Hong Kong

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INVESTOR RELATIONS DEPARTMENT OF THE COMPANY

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COMPANY WEBSITE

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STOCK CODE

1378.HK

Shareholders' Reference

LISTING PLACE

Main Board of The Stock Exchange of Hong Kong Limited

LISTING DATE

24 March 2011

NUMBER OF ISSUED SHARES AS AT 31 DECEMBER 2024

9,475,538,425

INVESTOR RELATIONS AND MEDIA RELATIONS CONSULTANT

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Address: Room 902, 9/F, Far East Consortium Building,121 Des Voeux Road, Central, Hong Kong

FINANCIAL YEAR END

31 December

FINANCIAL CALENDER

Annual Results Announcement Date
14 March 2025

DATE OF ANNUAL GENERAL MEETING

7 May 2025

EXPECTED DATE OF DIVIDEND PAYMENT

13 June 2025

Chairman's Statement

On behalf of the board (the "Board") of directors (the "Directors") of China Hongqiao Group Limited (the "Company" or "China Hongqiao"), I hereby present the audited consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024 (the "Year" or the "Year under Review").

In 2024, the global economy demonstrated unexpected extraordinary resilience under the impact of multiple factors, showing a stabilising trend despite slow growth. With the start of a major cycle of interest rate cuts, coupled with the continued release of the synergistic advantages of the Asian industrial chain, the global economy gained momentum for recovery in a roundabout way. However, the spillover effects of geopolitical conflicts continued to spread, the global governance system was restructured at an accelerated pace, and the regional development gap and policy coordination challenges cast a shadow over the economic outlook. Amidst this century-old turbulence, China is breaking through and innovating with strategic resolve. In the historical process of reshaping the global value chains, it continuously injected "Chinese momentum" into the world economy. According to data from the National Bureau of Statistics of China, China's gross domestic product (GDP) experienced a historical breakthrough, exceeding the RMB130 trillion mark during the Year, recording a growth of 5.0%. With an effective "qualitative" improvement and a reasonable "quantitative" growth, the economic aggregate has risen to a new level.

Looking around the world, the global aluminum industry has opened a window for value leap amidst the dual variables of green premium and carbon tariffs. The intertwining of multiple national election cycles with macro policy factors has intensified the volatility of the commodity market, making the recovery of supply chains and industrial chains relatively slow. The Chinese aluminum industry has built a strategic fulcrum with the advantage in total factor productivity, providing important support for the global commodity market. On the policy front, the Chinese government continued to release positive signals and boost market confidence by upgrading the industrial structure, promoting green and low-carbon transformation, and taking other supportive measures. Benefiting from the strong support and effective guidance of national policies, the demand for electrolytic aluminum continued to rise. As the Chinese government's "Two New" initiatives were implemented, the synergistic impact of these policies was becoming increasingly evident, further stimulating domestic consumption and investment demand. In particular, with the growth in emerging demand against the backdrop of carbon neutrality, the demand for aluminum in areas such as new energy vehicles, photovoltaics, and wind power grew rapidly. In the second half of 2024, the global shortage of bauxite on the resource side became a constraint, leading to limited growth in domestic alumina production in the PRC. At the same time, electrolytic aluminum maintained a strong momentum of increasing supply and demand, reaching new highs in recent years, thereby further boosting the demand for alumina. Therefore, alumina prices soared to nearly a decade high during the Year, significantly pushing up the profitability of the alumina industry. The aluminum processing industry, driven by adjustments in export policies and improvements in consumption structure, gradually transformed and steadily moved towards high-quality development.

After more than two decades of development, the Group has strategically laid out a complete closed-loop industrial chain encompassing "mining – alumina – primary aluminum – aluminum deep processing, new materials – recycled aluminum". The Group has now completed the integration of the entire industrial chain. During the Year, the Group seized the opportunity from the expanded differentiation in the supply and demand environment in different segments of the industrial chain, further confirming its strategic vision of vertical integration. Unlike companies that focus on a single segment, the Group fully leveraged its business advantages of vertical integration across upstream and downstream operations, and seized the opportunity from substantial increases in bauxite and alumina prices during the Year, effectively resisting the erosion of profits from raw material price fluctuations, and also significantly increasing profits with bauxite resources of its associates and its alumina production capacity.

In the course of development, the Group continued to deeply shape its development coordinate system with the six major strategies of "leadership by scientific and technological innovation, digital empowerment, ecological priority, openness and integration, commitment to the country, and collective development of the homeland", making strategic moves in the new industrialisation. We continued to focus on extending and strengthening the chains and digital-intelligent transformation, accelerating technological innovation and industrial upgrading, practicing low-carbon transformation and sustainable development, making breakthroughs in key technologies and applying them, training talents and building an industrial ecosystem. We made far-reaching plans and forged ahead bravely while comprehensively building core competencies and making every effort to lay a solid foundation for the development of a century-old enterprise, and had achieved exciting results.

During the Year under Review, the Group's revenue was approximately RMB156,168,720,000, representing a year-on-year increase of approximately 16.9%; gross profit amounted to approximately RMB42,162,692,000, representing a year-on-year increase of approximately 101.2%; and net profit attributable to owners of the Company stood at approximately RMB22,372,331,000, representing a year-on-year increase of approximately 95.2%. Basic earnings per share were approximately RMB2.3611 (the corresponding period in 2023: approximately RMB1.2095). The Board proposed the payment of a final dividend of HK102 cents per share for the year 2024. Together with the paid interim dividend for the year 2024 of HK59 cents per share, the total dividend for the year 2024 will amount to HK161 cents per share (2023: HK63 cents per share).

During the Year, the Group has focused on achieving high-quality development, adhered to long-termism and made breakthroughs in innovation, conducted meticulous management, developed intelligent business, utilised green energy, and optimised structure, as efforts to continuously gather new momentum for the development of new quality productive forces. On the basis of consolidating and enhancing the advantages of traditional industries, the Group systematically pushed the construction of a new energy system, actively promoted comprehensive digital empowerment, fostered downstream emerging industries, significantly improved the development quality and efficiency, and facilitated to the continuous advancement of the enterprise towards the high end of the industrial chain.

Moreover, the Group firmly believes that building a sustainable industrial cluster is more conducive to the overall industry's leap forward. Therefore, with the principles of openness, sharing, and win-win cooperation, the Group took on the responsibility of promoting industrial development, actively played its role as an industry leader and incubator, strove to drive each corporate partner in the chain, and built an efficient and collaborative green industrial ecosystem.

During the Year, the Group was at the critical stage of advancing the current "dual carbon" strategy and was committed to achieving the green development goal by optimising the energy structure, promoting technological innovation, carrying out international cooperation, leveraging cutting-edge technologies, and increasing operational efficiency. With the continuous increase in the proportion of clean energy in the Group and the improvement of the local aluminum industry chain in Yunnan, the Group built up increasingly prominent green energy advantages, and the output of green aluminum steadily grew year by year. In addition, the Group was also actively developing green circular industries such as recycled aluminum. Leveraging the stable and efficient recycling and utilisation of green, low-carbon circular aluminum, Zouping Hongfa Aluminum Technology Co., Ltd. (鄒平宏發鋁業科技有限公司), a subsidiary of the Group, was awarded the first domestic product evaluation certificate for resource recycling utilisation in the aluminum deep processing industry. All these demonstrate the Group's determination and actions in practicing the concept of green and circular development.

Chairman's Statement

Today, through continuous deepening of collaboration with domestic and foreign universities and research institutions, the Group has gradually improved the innovation system integrating “science, education, innovation, and industry”. A top-down innovation and R&D model has gradually formed. Based on the overall needs of the industry, the Group carried out forward-looking and groundbreaking R&D, focusing on the R&D and production of automotive parts, rail transportation, aluminum-based new materials and other fields. Over the years, the Group has persistently expanded the application of aluminum, continuously accelerated the R&D of new high-strength, high-toughness, corrosion-resistant lightweight aluminum alloy products, expedited the intelligent transformation of the aluminum industry, and launched projects like the R&D of the intelligent aluminum AI&L model. So far, Phase I projects of the future intelligent alumina factory have passed the acceptance check and have been put into operation, and Phase II projects are proceeding smoothly in an orderly manner. Benefiting from the precise and rapid transformation of scientific and technological innovation achievements, the Group's electricity consumption per tonne of primary aluminum has further fallen, which not only effectively improves economic benefits, but also further enhances the international competitiveness of the core technology of aluminum electrolysis. Standing at the top of the new industrial revolution, China Hongqiao is reshaping the industrial territory with its material advantages, interpreting the evolution of China's intelligent manufacturing with technological iteration, and demonstrating its robust strength.

During the Year, the Group received numerous awards from the United Nations, government departments, professional media, and authoritative institutions in various aspects such as corporate governance, new quality productive forces, capital operation, sustainable development, corporate responsibility and influence. It is particularly worth mentioning that in the “2024 Asia (ex-Japan) Executive Team Rankings” organised by the globally authoritative financial magazine *Institutional Investor*, we successfully were made onto fifteen lists and granted eight most representative major awards. We were honored as one of the 55 Most Honored Companies, and also gained important seats on the lists of the Most Honored Companies and Most Honored Companies (Mainland China). Thanks to its efforts to emphasise technological innovation and implement the concept of green and low-carbon development throughout the entire production process, several subsidiaries of the Group have been selected as national leaders of energy efficiency in key industries, provincial green factories, and provincial green supply chain management firms.

During the Year, the Group continually optimised the capital operation structure and financial management, made flexible use of internal funds and external financing. With keen insight into the pulse of the market, the Group adjusted capital operation strategies in a timely manner, and ensured a sound and sufficient cash flow through scientific prediction and monitoring, laying a solid foundation for business expansion. At the same time, the Group actively expanded diversified financing channels and strengthened its cooperation with banks to enhance capital liquidity and cut financing costs. Specifically, Shandong Hongqiao, a subsidiary of the Group, successfully issued short-term financing bonds, corporate bonds, medium-term notes, green, two-new and sci-tech innovation medium-term notes with a total value of RMB12.6 billion during the Year. The US$300 million senior unsecured bonds were also successfully issued and oversubscribed seven times in the US dollar market, fully demonstrating the high recognition and strong confidence of domestic and foreign investors in the Group.

Looking ahead, the global economy still faces many uncertainties, with trade barriers and the risks of geoeconomic fragmentation competing simultaneously. China will usher in the final year of the 14th Five-Year Plan, and is expected to provide continuous resilience and inject strong momentum for the industry development through the continued deepening of policy support, the comprehensive implementation of green development strategies, and the steady release of domestic demand potential. As market expectations for interest rate cuts gradually grow, confidence in the global capital market is steadily recovering, bringing more opportunities to improve the supply and demand pattern in domestic and foreign markets. To this end, the Group will strive to seek growth in intelligent industrial transformation, seize opportunities with full preparation and a positive attitude, achieve goals with innovation-driven and high-quality development, rebuild the value chain discourse system with green genes and circular economy, and deeply integrate into the global market transformation, with a view to building China Hongqiao into a world-leading enterprise with stronger resilience, more sustainable development and global competitiveness.

On behalf of the Board, I would like to express my highest respect to all employees of the Group, extend my sincere gratitude for their hard work and selfless dedication in the past year. I also express my heartfelt thanks to all shareholders, investors and partners for their continued support and trust. The Group will continue to spare no effort to create added value for stakeholders and provide generous rewards. Going forward, let us work together to create a brilliant tomorrow!

Zhang Bo
Chairman of the Board

14 March 2025

Management Discussion and Analysis

INDUSTRY REVIEW

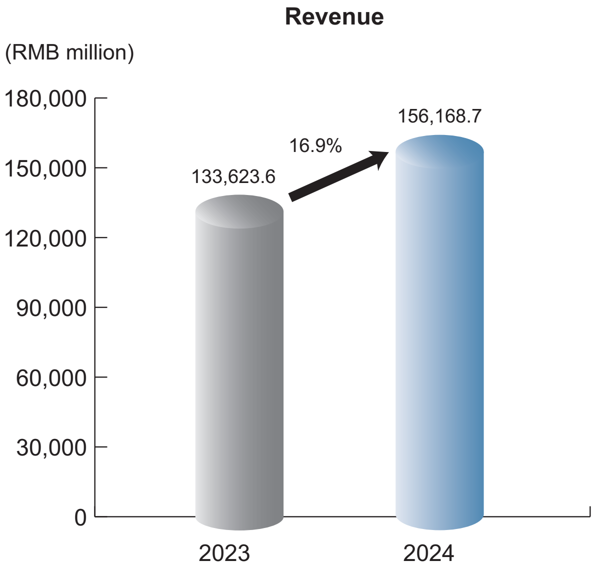
During the Year under Review, the central banks of major countries gradually shifted to ease policies, and the economic growth of various countries and regions showed a clear trend of divergence. Driven by the overall moderate economic recovery, the center of gravity of domestic and foreign aluminum prices moved upward in 2024, and Shanghai aluminum price remained on a strong trend under the influence of factors such as the continuous implementation of macro stimulus policies, the US Federal Reserve's interest rate cuts, and limited supply. From the perspective of fundamentals of aluminum, constrained aluminum supply has become the most distinctive feature of aluminum and an important support for the market's optimistic view on aluminum price trends, due to the ceiling of China's electrolytic aluminum production capacity and the slow progress of new overseas projects. In addition, domestic electrolytic aluminum supply and demand are both strong in 2024, with production and consumption increased more than expected. As the global economy witnessed stable growth, aluminum consumption is also expected to gradually recover.

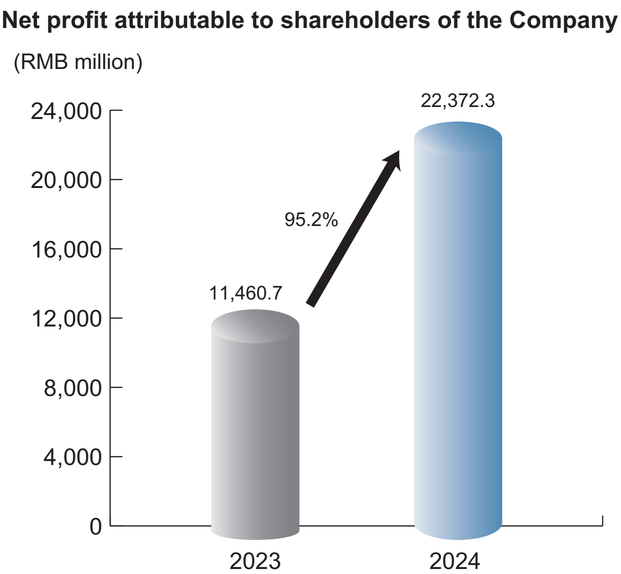
According to data from Beijing Antaike Information Co., Ltd. ("Antaike"), during the Year, the average price of three-month aluminum futures on the London Metal Exchange (LME) was approximately US$2,457.5/tonne, representing a year-on-year increase of approximately 7.4%. The average price of three-month aluminum futures on the Shanghai Futures Exchange (SHFE) was approximately RMB19,995.7/tonne, representing a year-on-year increase of approximately 8.2%.

According to the statistics of Antaike, during the Year, the global output of primary aluminum was approximately 72.96 million tonnes, representing a year-on-year increase of approximately 3.5%. Global consumption of primary aluminum was approximately 72.58 million tonnes, representing a year-on-year increase of approximately 3.5%. Focusing on the Chinese market, the production volume of primary aluminum during the Year was approximately 43.46 million tonnes, representing a year-on-year increase of approximately 4.3% and accounting for approximately 59.6% of global production. Primary aluminum consumption in China was approximately 45.18 million tonnes, representing a year-on-year increase of approximately 5.5% and accounting for approximately 62.2% of global consumption.

BUSINESS REVIEW

The Group's comparative figures of revenue and net profit attributable to shareholders of the Company for the year ended 31 December 2024 and 2023 are as follows:





For the year ended 31 December 2024, the Group's revenue was approximately RMB156,168,720,000, representing a year-on-year increase of approximately 16.9%, mainly due to the increase in sales price of aluminum alloy products and alumina products of the Group compared to the corresponding period last year, and the increase in sales volume.

During the Year, the Group's sales volume of aluminum alloy products was approximately 5.837 million tonnes, representing an increase of approximately 1.5% as compared with the sales volume of approximately 5.748 million tonnes for the corresponding period last year. The average sales price of aluminum alloy products grew by approximately 6.6% to approximately RMB17,550/tonne (excluding value-added tax) as compared with that of the corresponding period last year. The Group's sales volume of alumina products was approximately 10.921 million tonnes, representing a year-on-year increase of approximately 5.3%. The average sales price of alumina products grew by approximately 33.6% to approximately RMB3,420/tonne (excluding value-added tax) as compared with that of the corresponding period last year. The sales volume of the Group's aluminum fabrication products was approximately 0.766 million tonnes, representing an increase of approximately 32.1% as compared with that of the corresponding period last year. The average sales price of aluminum fabrication products grew by approximately 2.5% to approximately RMB20,324/tonne (excluding value-added tax) as compared with that of the corresponding period last year.

For the year ended 31 December 2024, net profit attributable to shareholders of the Company amounted to approximately RMB22,372,331,000, representing a year-on-year increase of approximately 95.2%, mainly due to an increase in sales price of aluminum alloy products and alumina products of the Group compared to the corresponding period in 2023 as well as the increase in sales volume. Meanwhile, the purchase prices of the Group's major raw materials, including coal and anode carbon block, decreased compared to the corresponding period in 2023. Benefiting from these positive factors, the Group recorded a significant increase in gross profit of the aforementioned products compared to the corresponding period in 2023.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue, gross profit, gross profit margin and percentage of revenue

The following table shows comparison between the breakdown of revenue, gross profit, gross profit margin and percentage of revenue by product for the years ended 31 December 2024 and 2023:

	For the year ended 31 December							
	2024				2023			
Products	**Revenue RMB'000**	**Gross profit RMB'000**	**Gross profit margin %**	**Proportion to total revenue %**	Revenue RMB'000	Gross profit RMB'000	Gross profit margin %	Proportion to total revenue %
Aluminum alloy products	**102,433,767**	**25,200,391**	**24.6**	**65.6**	94,640,869	16,455,810	17.4	70.8
Alumina	**37,351,737**	**13,238,017**	**35.4**	**23.9**	26,557,457	2,959,858	11.1	19.9
Aluminum fabrication products	**15,571,014**	**3,798,489**	**24.4**	**10.0**	11,500,388	1,634,298	14.2	8.6
Steam	**812,202**	**(74,205)**	**(9.1)**	**0.5**	924,918	(95,369)	(10.3)	0.7
Total	**156,168,720**	**42,162,692**	**27.0**	**100.0**	133,623,632	20,954,597	15.7	100.0

For the year ended 31 December 2024, the Group's revenue derived from aluminum alloy products was approximately RMB102,433,767,000, representing an increase of approximately 8.2% as compared to that of approximately RMB94,640,869,000 for the corresponding period last year. The revenue derived from alumina products was approximately RMB37,351,737,000, representing an increase of approximately 40.6% as compared to that of approximately RMB26,557,457,000 for the corresponding period last year. The revenue from aluminum fabrication products was approximately RMB15,571,014,000, representing an increase of approximately 35.4% as compared to that of approximately RMB11,500,388,000 for the corresponding period last year. These increases were mainly due to the rise in sales volume and prices of aluminum alloy products, alumina products and aluminum fabrication products compared to the corresponding period last year.

For the year ended 31 December 2024, the overall gross profit margin of the Group's products was approximately 27.0%, representing an increase of approximately 11.3 percentage points as compared to that of approximately 15.7% for the corresponding period last year. Gross profit margin of aluminum alloy products was approximately 24.6%, representing an increase of approximately 7.2 percentage points as compared to that of the corresponding period last year. Gross profit margin of alumina products was approximately 35.4%, representing an increase of approximately 24.3 percentage points as compared to that of the corresponding period last year. Gross profit margin of aluminum fabrication products was approximately 24.4%, representing an increase of approximately 10.2 percentage points as compared with that of the corresponding period last year. These increases were mainly due to the rise in sales price of aluminum alloy products, alumina products and aluminum fabrication products compared to the corresponding period last year.

Selling and distribution expenses

For the year ended 31 December 2024, the Group's selling and distribution expenses were approximately RMB661,024,000, representing a decrease of approximately 12.5% as compared with approximately RMB755,274,000 for the corresponding period last year, which was mainly due to the decrease in unit price of transportation cost, leading to a corresponding decrease in transportation cost.

Administrative expenses

For the year ended 31 December 2024, the Group's administrative expenses amounted to approximately RMB4,992,949,000, representing an increase of approximately 0.8% as compared with approximately RMB4,952,875,000 for the corresponding period last year, which was basically unchanged compared to that of last year.

Finance costs

For the year ended 31 December 2024, the Group's finance costs amounted to approximately RMB3,363,259,000, representing an increase of approximately 2.9% as compared with approximately RMB3,267,938,000 for the corresponding period of last year, which was mainly due to the increase in the Group's total interest-bearing debts during the Year, leading to higher interest expenses.

Liquidity and financial resources

As at 31 December 2024, the Group's cash and cash equivalents were approximately RMB44,770,241,000, representing an increase of approximately 41.1% as compared to that of approximately RMB31,721,122,000 as at 31 December 2023. The increase in cash and cash equivalents was mainly due to the increase in net cash inflow from operating activities as a result of, among other factors, the increase in the Group's profit for the Year.

For the year ended 31 December 2024, the Group's net cash inflow from operating activities was approximately RMB33,982,862,000, net cash outflow from investing activities was approximately RMB12,557,372,000, and net cash outflow from financing activities was approximately RMB8,430,546,000. The net cash outflows from investing activities were mainly attributable to the cash outflows for the purchase of properties, plants and equipment. The net cash outflow for financing activities was mainly attributable to the cash outflow for the dividend payout, the payment of interest on debts by the Group during the Year.

For the year ended 31 December 2024, the Group's capital expenditure amounted to approximately RMB12,608,507,000, mainly for the payment of the quality guarantee deposits for the preliminary stages of construction projects in accordance with the relevant contracts, the construction expenditure of the green aluminum innovation industrial park project in Yunnan (雲南綠色鋁創新產業園項目), lightweight material base (輕量化材料基地), new energy projects and others.

As at 31 December 2024, the Group had capital commitment of approximately RMB7,455,180,000 in relation to the purchase of the property, plant and equipment in the future, primarily for the construction projects such as the green aluminum innovation industrial park project in Yunnan, lightweight material base, and new energy projects. In addition, the Group agreed to provide performance guarantee in respect of the funding obligations of its associates in the iron ore project in Simandou, Guinea, pursuant to which the Group undertook to fund the project to an amount not exceeding US$1,780,000,000, equivalent to approximately RMB12,607,206,000 (indirectly including the obligations of the Group for its relevant funding contribution under the Winning Consortium Holdings Pte. Ltd. Shareholders Agreement).

As at 31 December 2024, the Group's trade receivables amounted to approximately RMB9,773,923,000, representing an increase of approximately 78.1% as compared with that of approximately RMB5,488,751,000 as at 31 December 2023, which was mainly due to the increased credit terms granted to certain customers during the Year, leading to an increase in the trade receivables as at the end of the period.

As at 31 December 2024, the Group's prepayments and other receivables (including non-current assets) amounted to approximately RMB7,811,711,000, representing a decrease of approximately 10.7% as compared with that of approximately RMB8,747,804,000 as at 31 December 2023, which was mainly because certain prepayments and other receivables as at the end of 2023 were utilised or collected during the Year.

As at 31 December 2024, the Group's inventory was approximately RMB37,344,003,000, representing an increase of approximately 10.0% from approximately RMB33,958,455,000 as at 31 December 2023, which was mainly due to the slight increase in inventory quantity and unit price of certain raw materials.

Contingent liability

As at 31 December 2024 and 2023, the Group had no material contingent liabilities save as disclosed in this annual report.

Income tax

The Group's income tax for 2024 amounted to approximately RMB8,251,619,000, representing an increase of approximately 143.2% from approximately RMB3,392,712,000 for the corresponding period last year. The significant increase in the income tax was mainly due to the significant increase in the Group's profit before tax as compared with the corresponding period last year.

Net profit attributable to shareholders of the Company and earnings per share

As at 31 December 2024, net profit attributable to owners of the Company was approximately RMB22,372,331,000, representing an increase of approximately 95.2% as compared to approximately RMB11,460,678,000 for the corresponding period last year.

During the Year, basic earnings per share of the Company were approximately RMB2.3611 (2023: approximately RMB1.2095).

Capital structure

The Group has established an appropriate liquidity risk management framework to secure its short, medium and long-term funding supply and to satisfy its liquidity need. As at 31 December 2024, the cash and cash equivalents of the Group amounted to approximately RMB44,770,241,000 (31 December 2023: approximately RMB31,721,122,000), which were mainly placed in commercial banks. Such level of cash and cash equivalents would assist in ensuring stability and flexibility of the Group's business operations. The Group will continue to take effective measures to ensure sufficient liquidity and financial resources, so as to satisfy the business needs and maintain a sound and stable financial position.

As at 31 December 2024, the total liabilities of the Group amounted to approximately RMB110,551,534,000 (31 December 2023: approximately RMB94,063,640,000). Gearing ratio (total liabilities to total assets) was approximately 48.2% (31 December 2023: approximately 47.0%).

The Group used certain of its restricted bank deposits, inventories, trade receivables, equipment and right-of-use assets as collateral for bank borrowings to provide part of the funding for its daily business operations and project development. As at 31 December 2024, secured bank borrowings of the Group amounted to approximately RMB15,547,656,000 (31 December 2023: approximately RMB12,537,863,000).

As at 31 December 2024, the Group's total bank borrowings were approximately RMB48,302,429,000. The Group maintained an appropriate portfolio of liabilities at fixed interest rates and variable interest rates to manage its interest expenses. As at 31 December 2024, approximately 64.3% of the Group's bank borrowings were subject to fixed interest rates while its remainder of approximately 35.7% was subject to floating interest rates.

The Group aims to maintain a balance between the continuity and flexibility of financing through utilising various debt financing instruments. As at 31 December 2024, liabilities of the Group, other than bank borrowings included short-term bonds of approximately RMB3,000,000,000, medium- term notes and corporate bonds of approximately RMB15,334,959,000, guaranteed notes of approximately RMB2,154,409,000 and convertible bonds (inclusive of derivatives components) of approximately RMB4,202,500,000, the interest rates of which ranged from 2.35% to 7.75% per annum. Such notes and bonds would facilitate the optimisation of the Group's debt structure and reduce financing costs.

As at 31 December 2024, the Group had net current assets of approximately RMB32,842,010,000. The Group will continue to expand its financing channels and optimise its debt structure. In addition, the Group will continue to control its production costs, enhance its profitability and improve its cash flow position in order to ensure the Group to have adequate liquidity.

As at 31 December 2024, the Group's liabilities were mainly denominated in RMB and foreign currency, of which, approximately 88.7% of the total liabilities were denominated in RMB, and approximately 11.3% were denominated in foreign currency. The Group's cash and cash equivalents were mainly held in RMB and foreign currency, of which approximately 87.7% were held in RMB and approximately 12.3% were held in foreign currency.

Details of the currency, maturity and interest rate of the borrowings, notes and bonds are set out in notes 35, 37 to 40 to the consolidated financial statements.

Pledged assets

Details of the pledged assets of the Group are set out in note 49 to the consolidated financial statements.

Employee and remuneration policy

As at 31 December 2024, the Group had a total of 51,320 employees, representing an increase of 2,412 employees as compared to 31 December 2023. During the Year, the total staff costs of the Group amounted to approximately RMB5,557,824,000, representing an increase of approximately 10.4% from approximately RMB5,035,092,000 for the corresponding period last year, mainly due to the slight increase in the number of staff of the Group during the Year as compared with the corresponding period last year as well as the increase of staff salary during the Year, leading to the increase in staff costs. The total staff costs of the Group were approximately 3.6% of its revenue. The remuneration packages of the employees of the Group include salaries, various allowances and benefits. In addition, the Group established a performance-based incentive mechanism under which the employees may be awarded additional bonuses. The Group provided training programmes to employees to equip them with the requisite working skills and knowledge.

Foreign exchange risk

The Group collected most of its revenue in RMB and funded most of its expenditures in RMB. As the import of bauxite and production equipment, export for certain aluminum fabrication products, certain bank balances, bank borrowings, convertible bonds and senior notes are denominated in foreign currencies, the Group is exposed to certain foreign exchange risk. As at 31 December 2024, the Group's bank balances denominated in foreign currencies were approximately RMB5,499,156,000, and liabilities denominated in foreign currencies were approximately RMB8,230,304,000.

For the year ended 31 December 2024, the Group had an exchange loss of approximately RMB222,689,000 (2023: exchange loss of approximately RMB223,678,000).

During the Year under Review, the Group actively took measures to mitigate currency exchange rate fluctuation risks, and ensured the foreign exchange risks were generally under control. The Group actively took the following measures to prevent foreign exchange risks in accordance with its business operations: (i) reasonable arrangements for financing and foreign exchange revenue and expenditure with timely adjustments to the foreign exchange fund management scheme; (ii) promotion of a cross-border fund pool management model which centralised and unified management and use of domestic and overseas funds in order to reduce settlement and sale costs and currency exchange losses; and (iii) timely use of swap instruments to hedge foreign exchange risks in conjunction with changes in exchange rates and interest rates.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

For the year ended 31 December 2024, the Company did not have material acquisitions or disposals of subsidiaries, associates or joint ventures.

Significant investment held

For the year ended 31 December 2024, the Group did not hold any significant investment which had a significant impact on its overall operation.

Future plans for material investments or capital assets

Save as disclosed in this annual report, during the year ended 31 December 2024 and as at the date of this annual report, there was no future plan approved by the Group for any material investments or capital assets.

MAJOR RISKS AND UNCERTAINTIES

The Group faces certain risks and uncertainties during its operation, among which, there are certain risks that the Group cannot control. Such risks and uncertainties include factors such as economy conditions of both inside and outside China, credit policy and foreign exchange policies of the PRC, changes related to laws, regulations and enforcement policies, and the prices and supply of raw materials and aluminum products.

With the growth and expansion of the Group's operations, the potential risks to the Group's business increase as well. In order to identify, assess and control the risks that may create impediments to the Group's success, the Group has implemented a risk management system that covers every key aspect of its business operations, including financial security, production and compliance. As the Group's risk management is a systematic project, each of its departments is responsible for identifying and evaluating the risks relating to their area of operations. The audit committee of the Board is responsible for overseeing and assessing the Group's risk management policy and supervising the performance of risk management system.

ENVIRONMENTAL PROTECTION POLICY

The Group has established a dedicated environmental protection department. The environmental protection department is responsible for overseeing the environmental protection of the Group as a whole, such as formulating environmental-related guidelines and policies for the Group, paying attention to the latest development in the environmental-related laws, regulations and standards in the PRC, regularly inspecting the production and pollutant discharge facilities of the Group, handling the application for environmental protection permit documents, inspecting the construction projects of the Group and handling other necessary filings and so on.

During the power generation process, the Group's power plant discharges sewage, emits air pollutants, such as sulphur dioxide, and produces noise. The Group has installed dedusting, desulphurisation and denitrification equipment in its power station to reduce the emission of air pollutants. The Group has also installed water recycling and treatment equipment to minimise the impact of sewage on the environment. The Group's power station has obtained the pollutant emission permits and has satisfied the emission requirements provided by local governments. In addition, the Group has installed sound insulation equipment to reduce the impact of the noise produced in the daily operations of the power station. The Group has implemented and completed the super-low emission's reform of all coal-fired power generation units, which have met the emission level that required for the gas power generation units.

During the manufacturing process of aluminum products, the Group's factory discharges sewage, emits air pollutants and produces noise. The Group has installed equipment for dedusting as well as flue gas desulphurisation and purification in the manufacturing facilities to minimise the emission of air pollutant. The Group recycles and reuses aluminum scraps generated during the production process, so as to reduce industrial waste and increase its utilisation rate.

In addition, the Group has installed sound insulation equipment to reduce the impact of the noise produced in the daily operations of its manufacturing bases.

IN COMPLIANCE WITH LAWS AND REGULATIONS

The Company is established in Cayman Islands, and most of the Group's operations are performed in domestic China, while the Company is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the year ended 31 December 2024 and until the date of publishing this annual report, the Group has always been committed to complying with relevant requirements of the laws and regulations in operation respects.

RELATIONSHIPS WITH KEY STAKEHOLDERS

Employees

Human resources are one of the Group's greatest assets and the Group regards the personal development of its employees as highly important. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. The Group provides pre-employment, on-the-job training and development opportunities to our staff members. The training programmes cover areas such as managerial skills, sales and production, customer services, quality control, working conduct and training of other areas relevant to the industry. The Group will consider carefully about the precious feedback in relation to enhancing working efficiency and harmonious working atmosphere. Besides, the Group will provide competitive remunerations for employees. The Group will also grant extra bonus to employees according to their performance, as a recognition and award for employees who have contributed to the Group's growth and development.

Suppliers

The Group has developed long-term cooperative relationships with many suppliers and taken great care to ensure that they can share the Group's commitment to product quality and ethics. The Group carefully selects its suppliers and requires them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality products and effectiveness of quality control. The Group also requires suppliers to comply with the Group's anti-bribery policies.

Customers

The Group has established long-term cooperative relationship with many customers by strengthening relationships with the existing customers while cultivating relationships with potential customers. The Group visits and contacts customers so as to keep contact with them. The Group has also established sales and marketing teams covering Shandong Province, Northeastern, Southern, Eastern, Southwest and Northern China, where the customers are located.

FUTURE PROSPECT

With significant progress made in the global battle against inflation, cyclical imbalances have gradually eased, making the economic activities and potential output levels of the world's major economies more consistent. Looking ahead, it is expected that major central banks will continue to implement interest rate cuts, but the pace of interest rate cuts remains highly uncertain. In the meantime, the trend of trade protectionism will become increasingly apparent, global trade frictions will intensify, and the accelerated reshaping of supply chains and industrial chains will also have a profound impact on the trade landscape, which will lead to an increasingly fragile global trade environment. As a result, although the International Monetary Fund expects the global economy is likely to maintain relatively stable growth, the sustainability and balance of the recovery process will face many severe challenges.

In the wave of global transformation and the critical transition point of China's 14th Five-Year Plan, the Group will continue to be guided by the strategy of high-quality and green development, map out a deeply systematic and forward-looking strategic plan for the development of future industries, promote the implementation of key projects in an orderly manner, continuously improve the system for the transformation of technological innovation and scientific research achievements, reserve diverse development elements, and focus on forging new quality productive forces. At the same time, we will keep moving forward with determination and a spirit of practical endeavor, adhering to the principle of long-termism. We will deepen the "total-factor dual benchmarking" management mechanism, fully utilise various clean energy sources, accelerate the pace of low-carbon transformation, continuously expand the space for opening-up and cooperation, and build a broader pattern of co-building and sharing of the industrial chain, striving to engrave a mark of made in China on the world's metal map.

EVENTS AFTER THE REPORTING PERIOD

On 6 January 2025, the board of directors of Shandong Hontron Aluminum Industry Holding Company Limited ("Hontron Holding", stock code: 002379.SZ), an indirect subsidiary of the Company, resolved to approve the preliminary plan for Hontron Holding to acquire 100% equity interests in Shandong Hongtuo Industrial Co., Ltd. ("Hongtuo Industrial"), an indirect subsidiary of the Company, held by the transaction parties by issuance of shares. Accordingly, Hontron Holding intends to issue new shares to the existing shareholders of Hongtuo Industrial (including Shandong Weiqiao Aluminum & Power Co., Ltd. ("Weiqiao Aluminum & Power"), an indirect subsidiary of the Company) to acquire the 100% equity interests held by them. Upon completion of the transaction, the shareholding proportion of the Company in Hontron Holding will increase accordingly, and both Hontron Holding and Hongtuo Industrial (through Hontron Holding) will continue to be subsidiaries of the Group. For details, please refer to the announcements of the Company dated 23 December 2024 and 6 January 2025.

On 6 January 2025, the Company announced to issue 7.05% senior unsecured notes due 2028 with an aggregate principal amount of US$330,000,000, guaranteed by certain subsidiaries of the Group. The gross proceeds from the issuance of the notes, before commissions and expenses, amounted to US$330,000,000. The notes are listed and quoted on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company intends to use the net proceeds of the offering to refinance existing offshore debt and for general corporate purposes. The proceeds were fully utilised by the Company for the uses as described in the announcement of the Company dated 6 January 2025. Details are set out in the announcements of the Company dated 6 January 2025 and 14 January 2025, respectively.

On 17 March 2025 (after trading hours), the Company and the subsidiary guarantors entered into the convertible bonds subscription agreement with the joint lead managers, pursuant to which the Company has agreed to issue and the joint lead managers have agreed, severally and not jointly, on a best efforts basis, to subscribe and pay for, or to procure subscriptions and payment for the convertible bonds with an initial principal amount of US$300,000,000. The initial conversion price (subject to adjustment) was HK$20.88 per share. The net proceeds from the issue of the convertible bonds were approximately US$294,584,687. The Company also concurrently repurchased 20,548,000 shares from the relevant buyers of the convertible bonds. The convertible bonds are listed and quoted on the Stock Exchange. The Company intends to use the net proceeds from the issue of the convertible bonds to refinance existing offshore debt and for general corporate purposes. As at the date of this annual report, the Company has not utilised the proceeds of this issue. Please refer to the announcements of the Company dated 17 March 2025, 18 March 2025, 26 March 2025 and 27 March 2025 for details.

Save as disclosed above, there were no important events affecting the Group that have occurred after 31 December 2024 and up to the date of this annual report.

Directors and Senior Management

DIRECTORS

Our Board is responsible and has general powers for the management and development of the Group's business. The table below shows certain information in respect of members of our Board:

Name	Age	Position
Mr. Zhang Bo	55	Chairman, Executive Director and Chief Executive Officer
Ms. Zheng Shuliang	78	Vice Chairman and Executive Director
Ms. Zhang Ruilian	47	Vice President, Chief Financial Officer and Executive Director
Ms. Wong Yuting	40	Executive Director, Head of Corporate Finance Department
Mr. Yang Congsen	55	Non-executive Director
Mr. Zhang Jinglei	48	Non-executive Director
Mr. Tian Mingming	46	Non-executive Director
Mr. Zhang Hao	50	Alternate of Mr. Tian Mingming
Ms. Sun Dongdong	47	Non-executive Director
Mr. Wen Xianjun	62	Independent Non-executive Director
Mr. Han Benwen	74	Independent Non-executive Director
Mr. Dong Xinyi	48	Independent Non-executive Director
Ms. Fu Yulin	59	Independent Non-executive Director

Executive Directors

Mr. Zhang Bo (張波), aged 55, was appointed as an executive Director and the chief executive officer of the Company on 16 January 2011. He was elected as the chairman of the Board and a member of each of the remuneration committee and nomination committee of the Board on 31 May 2019. He has been the chairman of the nomination committee of the Board since 16 May 2023 and the chairman of the sustainability committee of the Board since 14 March 2025. He graduated from Shandong Broadcast and Television University (山東廣播電視大學) majoring in financial accounting and obtained a bachelor's degree in economics in August 1996. He also obtained a master degree in software engineering in Wuhan University (武漢大學) in June 2005. He is responsible for the overall strategic planning and operation of the Group. He joined the Group in 2006 and has 18 years of experience in aluminum industry. He had been the deputy general manager of Shandong Weiqiao Chuangye Group Company Limited (山東魏橋創業集團有限公司) ("Weiqiao Chuangye Group") from April 1998 to February 1999, and successively served as the general manager, executive director and chairman of Weiqiao Textile Company Limited (魏橋紡織股份有限公司) ("Weiqiao Textile", a company formerly listed on the Stock Exchange, stock code before delisting: 2698.HK) (including its predecessor) from March 1999 to September 2006, a director of Weihai Weiqiao Textile Company Limited (威海魏橋紡織有限公司) from July 2001 to May 2010, the chairman and general manager of Binzhou Weiqiao Technology Industrial Park Company Limited (濱州魏橋科技工業園有限公司) ("Binzhou Industrial Park") from November 2001 to May 2010, the general manager of Shandong Hongqiao from January 2010 to January 2021, the chairman of Binzhou Aluminum Industry Association from June 2014 to August 2020, a vice chairman of the International Aluminium Institute from November 2016 to August 2020, an executive director and the general manager of Shandong Hongtuo Industrial Co., Ltd. (山東宏拓實業有限公司) ("Hongtuo Industrial") from June 2019 to December 2021, and a reserve director of Shiping Global Holding Company Limited ("Shiping Global Holding") from December 2018 to May 2019. He is currently the managing director (since November 2006), chairman (since January 2007) and general manager (since February 2007) of Weiqiao Aluminum & Power, a director (since January 2010) and the general manager (since November 2021) and the chairman (since June 2019) of Shandong Hongqiao, a director of Hongqiao (HK) International Trading Limited (宏橋(香港)國際貿易有限公司) ("Hongqiao (HK) Trading") since April 2012, a director of Hongqiao Investment (Hong Kong) Limited ("Hongqiao Investment (Hong Kong)") since January 2015, a director (since November 2012) and the chairman (since September 2018) of Weiqiao Chuangye Group, a director of China Hongqiao Investment Limited (中國宏橋投資有限公司) since May 2019, the chairman of Hongtuo Industrial since December 2021, an executive director of Hongqiao International Trading Limited (宏橋國際貿易有限公司) since April 2020 and a director of Shiping Global Holding since May 2019. He has been the honorary chairman of Binzhou Aluminum Industry Association since August 2020, a deputy president of China Nonferrous Metals Industry Association since March 2015, the chairman of Shandong Aluminium Industry Association since March 2019, the chairman of Binzhou Association of Enterprises and Entrepreneurs (濱州市企業與企業家聯合會, formerly known as the Binzhou Entrepreneurs Association (濱州市企業家協會)) since January 2020, the vice chairman of Binzhou Shiping Charity Foundation (since September 2020) and the chairman of Binzhou Charity Federation (since October 2020), honorary president of Zouping City Entrepreneurs Association (since May 2022). He was selected by the State Council as "National Model Worker" in 2010. He is a representative of the Fourteenth National People's Congress of the PRC and a representative of the twelfth Shandong Provincial People's Congress. Ms. Zheng Shuliang is his mother, and Mr. Yang Congsen is his brother-in-law.

Ms. Zheng Shuliang (鄭淑良), aged 78, was appointed as the vice chairman and an executive Director of the Company on 16 January 2011 and a member of the sustainability committee of the Board on 14 March 2025. She joined the Group in July 2009. She successively held the positions of the section chief, director of metering division of raw materials purchase department and deputy director of raw materials supply department of Weiqiao Chuangye Group (including its predecessor) from November 1996 to June 1999, director of metering department of Weiqiao Chuangye Group from June 1999 to June 2001. She is currently a director and the vice chairman of Shandong Hongqiao (since January 2010), a director of Weiqiao Aluminum & Power (since November 2011) and the chairman of Binzhou Shiping Charity Foundation (since September 2020). She is the mother of Mr. Zhang Bo and the mother-in-law of Mr. Yang Congsen.

Ms. Zhang Ruilian (張瑞蓮), aged 47, was appointed as an executive Director on 11 December 2017 and a member of the sustainability committee of the Board on 14 March 2025. She graduated from Shandong Economic Management School of Light Industry (山東省輕工業經濟管理學校) and obtained the diploma in accounting in July 1996. She also obtained the bachelor's degree in accounting from Beijing Foreign Studies University in July 2019. She joined the Group in June 2006 and has over 24 years of experience in accounting. She is responsible for the supervision of the Group's finance and accounting affairs. She served as the manager of audit department of Weiqiao Chuangye Group from December 2005 to June 2006. She has been the head of financial department of Weiqiao Aluminum & Power since June 2006, a director of Weiqiao Aluminum & Power since December 2014, the manager of financial department of Shandong Hongqiao since February 2010, a director of Shandong Hongqiao since December 2014, and a director of Hongqiao (HK) Trading since April 2012. She is currently the vice president (since January 2011) and the chief financial officer of the Company (since September 2014) and the director of Weiqiao Chuangye Group (since February 2024).

Ms. Wong Yuting (王雨婷), aged 40, was appointed as an executive Director on 20 August 2021 and a member of the sustainability committee of the Board on 14 March 2025. She graduated from the business school of The University of Nottingham (United Kingdom) in December 2008, majoring in risk management and microeconomics. She joined the Company in June 2011. Ms. Wong was the head of investor relations of the Company from June 2011 to January 2023 and has been the head of corporate finance of the Company from March 2014 to present, and is responsible for the Company's foreign capital markets, institutional investor communications, financing and mergers and acquisitions.

Non-Executive Directors

Mr. Yang Congsen (楊叢森), aged 55, was appointed as a non-executive Director on 16 January 2011 and a member of the sustainability committee of the Board on 14 March 2025. He graduated from Ocean University of Qingdao (青島海洋大學) and obtained a junior college diploma in international trade in July 1998. He also obtained a master's degree of business administration from Dalian University of Technology (大連理工大學) in July 2006. He joined the Group in January 2007 and has over 24 years of management experience. He was responsible for the production and operations of the self-owned power plants of the Group and was also the deputy general manager of Weiqiao Aluminum & Power prior to the listing of the Company in 2011. He held the positions of the network administrator of human resources division of Weiqiao Chuangye Group (including its predecessor) from October 1997 to December 1999, the head of thermal power plant of Weiqiao Chuangye Group from December 1999 to October 2003, the deputy general manager of Weiqiao Chuangye Group from January 2005 to June 2006 and the general manager of Shandong Hongqiao from January 2021 to December 2021. He is currently a director of Weiqiao Chuangye Group, a director of Shandong Hongqiao (since January 2010), a director of Weiqiao Aluminum & Power (since December 2006), the managing director of Hongtuo Industrial (since December 2021) and a director and the chairman of Shandong Hongchuang Aluminum Industry Holding Company Limited (山東宏創鋁業控股股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002379.SZ) since January 2024. He is the son-in-law of Ms. Zheng Shuliang and the brother-in-law of Mr. Zhang Bo.

Mr. Zhang Jinglei (張敬雷), aged 48, was appointed as a non-executive Director on 16 January 2011 and a member of the sustainability committee of the Board on 14 March 2025. He graduated from Chang'an University (長安大學, formerly known as Xi'an Engineering College (西安工程學院)) and obtained the junior college diploma in proximate analysis in July 1997. He also graduated from Tsinghua University in June 2024 with a Master of Business Administration degree. He joined the Group in January 2011. He joined Weiqiao Textile (including its predecessor) in October 1997, and worked in the sales department of Weiqiao Textile (including its predecessor) from September 1998 to September 2000, and has successively worked at the securities office, production technology section and the capital markets department of Weiqiao Textile since October 2000. He was an executive director (from June 2010 to March 2024) and the company secretary (from May 2010 to March 2024) of Weiqiao Textile. He is currently a director of Weiqiao Textile (after withdrawal of listing) (former stock code: 2698.HK) since March 2024, a director of Weiqiao Chuangye Group since September 2018, a director of Shandong Hongqiao since January 2021, the chairman of WEIQIAO Germany GmbH since December 2024, and the general manager of the investment business department of Weiqiao Chuangye Group since March 2025.

Mr. Tian Mingming (田明明), aged 46, was appointed as a non-executive Director on 11 July 2024. He graduated from Central University of Finance and Economics (中央財經大學) with a bachelor's degree majoring in international finance in July 2000. He also graduated from Renmin University of China (中國人民大學) in July 2003 majoring in finance and obtained a master's degree of economics. From July 2003 to February 2011, he successively served as a secretary and a secretary (deputy division level) of the secretariat of the office of China Export & Credit Insurance Corporation (中國出口信用保險公司). From February 2011 to March 2011, he served as the deputy division director of the first underwriting division of the special export insurance underwriting department of China Export & Credit Insurance Corporation (中國出口信用保險公司). From March 2011 to March 2019, he successively served as the deputy general manager, deputy general manager (presiding over the work) and the general manager of the fourth trust business department of CITIC Trust Co., Ltd. (中信信託有限責任公司, "CITIC Trust"). From March 2019 to March 2020, he served as the business director of CITIC Trust and general manager of the fourth trust business department of CITIC Trust. From March 2020 to January 2021, he served as the business director of CITIC Trust and the general manager of the international business department of CITIC Trust. From January 2021 to May 2024, he served as the general manager of the international business department of CITIC Trust. Since May 2024, he has served as a member of the Party Committee and the deputy general manager of CITIC Trust.

Mr. Zhang Hao (張浩), aged 50, was appointed as an alternate Director to Mr. Tian Mingming on 11 July 2024. He graduated from University of International Business and Economics (對外經濟貿易大學, formerly known as China Institute of Finance (中國金融學院)) with a bachelor of economics degree majoring in international finance in July 1996. He served as a foreign exchange trader and the deputy manager of the treasury department of CITIC Bank (stock code: 998.HK and 601998.SH) successively from August 1996 to June 2003. He served as a director of the financial market department of Calyon Hong Kong Limited from July 2003 to June 2005, and an executive director of the financial market department of Bear Stearns Asia Limited from July 2005 to June 2008. He also served as the managing director of the financial market department of Standard Chartered Bank (HK) Ltd, from July 2008 to July 2014. From 11 December 2017 to 2 February 2018 and from 31 August 2018 to 27 January 2021, he served as an alternate Director to Mr. Chen Yisong, a former non-executive Director. From 27 January 2021 to 29 December 2022, he served as an alternate Director to Mr. Li Zimin, a former non-executive Director. From 29 December 2022 to 28 December 2023, he served as an alternate Director to Mr. Liu Xiaojun, a former non-executive Director. From 28 December 2023 to 11 July 2024, he served as an alternate Director to Mr. Tu Yikai, a former non-executive Director. Since August 2014, he has served as the chief executive officer and the director of CTI Capital Management Limited (中信信惠國際資本有限公司) and also served in CTI Capital Hong Kong Limited (中信信惠國際資本(香港)有限公司), being a wholly-owned subsidiary of CTI Capital Management Limited (中信信惠國際資本有限公司) and holding licenses issued by the Securities and Futures Commission of Hong Kong to carry out regulated activities) as the chief executive officer, the director and the responsible officer for type 1 (dealing in securities) and type 4 (advising on securities) regulated activities and the licensed representative for type 9 (asset management) regulated activities.

Ms. Sun Dongdong (孫冬冬), aged 47, was appointed as a non-executive Director on 5 March 2021 and a member of the sustainability committee of the Board on 14 March 2025. She graduated from Shandong Institute of Architectural Engineering (山東建築工程學院) majoring in heating, ventilation and air conditioning engineering in July 1998 and she is a certified senior economist and budget specialist. She successively held various positions in Weiqiao Aluminum & Power, as the chief of the supply section from November 2000 to June 2006, the chief of electrical and mechanical services section of the material supply department from June 2006 to May 2010, the chief of budget audit section from May 2010 to June 2011, the chief of audit supervisory department from June 2011 to March 2018, and the chief of audit department from March 2018 to October 2020. She has been serving as a supervisor of Shandong Hongqiao since June 2019, a supervisor of Weiqiao Aluminum & Power since June 2019, a supervisor of Yunnan Hongqiao New Material Co., Ltd. (雲南宏橋新型材料有限公司) since October 2019, a supervisor of Yunnan Hongtai since October 2019, a supervisor of Shanghai Helu Equity Investment Management Co., Ltd. (上海和魯股權投資管理有限公司) since November 2019, the chief of audit department of Shandong Hongqiao since October 2020, and a supervisor of Weiqiao Chuangye Group since February 2024.

Independent Non-Executive Directors

Mr. Wen Xianjun (文獻軍), aged 62, was appointed as an independent non-executive Director on 5 March 2021. He has been a member of the audit committee and remuneration committee of the Board since 16 May 2023. He graduated from Central South University (中南大學, formerly known as Central South Institute of Mining and Metallurgy (中南礦冶學院)) with a bachelor of engineering degree majoring in metallic materials in July 1984, and also graduated from Beijing Non-Ferrous Research Institute (北京有色金屬研究總院) with a master of engineering degree majoring in metallic materials in June 1990. He successively served as an associate engineer of Beijing Non-Ferrous Research Institute from August 1984 to August 1987, an engineer of the technology department of China National Non-ferrous Metals Industry Corporation (中國有色金屬工業總公司) from July 1990 to June 1992, a deputy director and a senior engineer of Development and Exchange Centre of China Nonferrous Metals Industry Technology (中國有色金屬技術開發交流中心) from September 1992 to January 1996, a deputy director of the investment and operations department and a senior engineer of China National Non-ferrous Metals Industry Corporation (中國有色金屬工業總公司) from February 1996 to April 1998, the deputy head, a director-level consultant and a senior engineer of Industry Administration Department of the State Nonferrous Metals Industry Administration of China (國家有色金屬工業局行業管理司) from May 1998 to December 2000, as well as the director of CPC Central Enterprise Working Committee (中央企業工委) from January 2001 to March 2001. He successively served as the deputy head of industry coordination department, the head of the aluminum department, the vice chairman and a professor level senior engineer of China Nonferrous Metals Industry Association (中國有色金屬工業協會) from April 2001 to April 2021 and also served as the chairman of China Nonferrous Metals Processing Industry Association (中國有色金屬加工工業協會) from October 2010 to October 2017. Mr. Wen has also served as an independent director in various listed companies. He served as an independent director of Henan Zhongfu Industrial Co., Ltd. (河南中孚實業股份有限公司) ("Zhongfu Industrial") (a company listed on the Shanghai Stock Exchange (stock code: 600595.SH)) from October 2009 to November 2014, an independent director of Ningxia Orient Tantalum Industry Co., Ltd. (寧夏東方鉭業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000962.SZ) from March 2011 to October 2014, an independent director of Zhejiang Dongliang New Material Co., Ltd. (浙江棟樑新材股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002082.SZ) from May 2011 to September 2013, an independent director of Jiaozuo Wanfang Aluminum Manufacturing Co., Ltd. (焦作萬方鋁業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000612.SZ) from July 2013 to October 2014, an independent director of Suzhou Lopsking Aluminium Co. Ltd. (蘇州羅普斯金鋁業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002333.SZ) from October 2013 to October 2014 as well as an independent director of China Zhongwang Holdings Limited (中國忠旺控股有限公司) (a company listed on the Stock Exchange, stock code: 01333.HK) from July 2008 to July 2021. He has served as an independent director of Henan Shenhuo Coal & Power Co., Ltd. (河南神火煤電股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000933.SZ) since May 2020, an independent director of Guangdong Xingfa Aluminium Co. Ltd. (廣東興發鋁業有限公司) (a company listed on the Stock Exchange, stock code: 00098.HK) since August 2021, an independent director of Zhejiang Hailiang Co., Ltd (浙江海亮股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002203.SZ) since September 2021 and an independent director of Zhongfu Industrial (a company listed on the Shanghai Stock Exchange, stock code: 600595.SH) since November 2021.

Mr. Han Benwen (韓本文), aged 74, was appointed as an independent non-executive Director, the chairman of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Board on 16 January 2011, and the chairman of the remuneration committee of the Board on 9 March 2012. He graduated from Shandong University (山東大學) and obtained a certificate in foreign economy in May 1994. He is a certified public accountant recognised by the Shandong Institute of Certified Public Accountants (山東省註冊會計師協會) and is a qualified middle level auditor. He worked in Zouping County Audit Bureau (鄒平縣審計局) as a clerical officer from August 1985 to December 1999 and in Shandong Jianxin Certified Public Accountants Corporation (山東鑒鑫會計師事務所有限公司) (formerly known as Zouping Jianxin Certified Public Accountants Corporation (鄒平鑒鑫有限責任會計師事務所)) as an accountant from December 1999 to February 2007. He has been working in Zouping Hongrui Accounting & Consulting Services Center (鄒平宏瑞會計諮詢服務中心) as an accountant since February 2007.

Mr. Dong Xinyi (董新義), aged 48, was appointed as an independent non-executive Director and a member of the audit committee of the Board on 11 December 2017. He graduated from Northwest Institute of Politics and Law (西北政法學院) (currently known as Northwest University of Politics and Law (西北政法大學)) in Xi'an, Shanxi Province, the PRC with a bachelor of law degree majoring in international economic law in July 2000; from Korea University in Seoul, Korea with a master of law degree in August 2006 and the degree of doctor of philosophy in law in August 2009, respectively. He served as a clerk at the civil and administrative procuratorial office, the People's Procuratorate of Huangdao District, Qingdao City, Shandong Province from July 2000 to March 2004. He served as the department head of the legal affair department of Sino-Korea Future Urban Development Co., Ltd. (韓中未來城市開發株式會社) in Korea from July 2009 to July 2010. He served as a postdoctoral researcher at Law School of Renmin University of China (中國人民大學) from July 2010 to June 2012. He served as an independent director of Guangdong Green Precision Components Co., Ltd. (廣東格林精密部件股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300968.SZ) from September 2016 to August 2024. Since July 2012, he has been serving in various positions at Central University of Finance and Economics (中央財經大學) (the "CUFE"), including as a teaching staff, an associate professor and a professor. He has concurrently been serving as the deputy head of the Research Center for Financial Technology and Financial Consumer Rights Protection Law of CUFE (中央財經大學科技金融與金融消費者權益保障法治研究中心, formerly known as the Research Center for Internet and Informal Finance Laws of CUFE (中央財經大學互聯網金融與民間融資法治研究中心)) since May 2015 and the head of Research Center for Technology and Finance Law of CUFE (中央財經大學科技與金融

法律研究中心) since June 2017. He has also been the director of Beijing Institute of Financial Services Law (北京市金融服務法學研究會) since December 2014, an attorney at Beijing King & Capital Law Firm (北京市京都律師事務所) since February 2016, and the director of Institute of Securities Law of China Law Society (中國法學會證券法學研究會) since April 2017. He served as a supervisor of Woori Bank (China) Limited (友利銀行(中國)有限公司) from September 2013 to January 2020 and has served as an independent director of Woori Bank (China) Limited since January 2020. He has been a non-executive director of Zhonghao Xiangyu Investment Management Co., Ltd. (中皓翔宇投資管理有限公司) since February 2016.

Ms. Fu Yulin (傅郁林), aged 59, was appointed as an independent non-executive Director and a member of the nomination committee of the Board on 16 May 2023. She graduated from Wuhan University (武漢大學) in June 1987 with a bachelor of laws degree, majoring in international laws. She also obtained a master of laws degree from Peking University (北京大學) in July 1998, majoring in civil laws and the degree of doctor of laws from the Renmin University of China (中國人民大學) in July 2001, majoring in litigation laws (civil litigation laws direction). Ms. Fu has been the professor of Peking University since August 2013. From July 1987 to July 1998, she successively served as the clerk, assistant judge and judge of the Wuhan Maritime Court (武漢海事法院). From July 2001 to June 2003, she conducted academic research in the judicial system and civil litigation laws in the post-doctoral mobile work station (博士後流動工作站) of Peking University. Since June 2003, she has been teaching and conducting research in the field of civil litigation laws, laws of evidence, arbitration laws and the judicial system in the Peking University Law School.

Senior Management

The biographies of Mr. Zhang Bo, the chief executive officer of the Company is disclosed under the section headed "Executive Directors".

The biographies of Ms. Zhang Ruilian, the chief financial officer of the Company is disclosed under the section headed "Executive Directors".

Company Secretary

Ms. Zhang Yuexia (張月霞), aged 49, was appointed as the secretary of the Company on 16 January 2011. She graduated from Binzhou Normal Specialised Postsecondary College (濱州師範專科學校), majoring in foreign trade English, and obtained a junior college degree in July 1998. She received her bachelor's degree in accounting from China University of Petroleum (Huadong) (中國石油大學(華東)) in July 2020. She has over 23 years of accounting experience. She held the positions of the manager and section chief of accounting department of Weiqiao Chuangye Group from December 2001 to July 2009 and the deputy head of the securities department of Weiqiao Textile from March 2008 to January 2010. She has been serving as the director of Hongqiao (HK) Trading since April 2012. She had not served any position in the Group prior to 16 January 2011.

Report of the Directors

The Directors of the Company present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacturing and sales of aluminum products. Currently, the Group's aluminum products consist of molten aluminum alloy, aluminum alloy ingots, aluminum alloy processing products and alumina products.

Details of the subsidiaries of the Company are set out in note 55 to the consolidated financial statements.

DIVIDEND POLICY

The Company has adopted a dividend policy, pursuant to which the Company may declare and distribute dividends to the shareholders of the Company to allow shareholders to share the Company's profits and the Company to retain adequate reserves for future growth.

According to the articles of association of the Company (the "Articles of Association"), the declaration of dividends is subject to the discretion of the Board and the approval of the shareholders. In proposing any dividend payment, the Directors shall take into account the Company's operations, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements as well as any other factors as they may deem relevant at such time. Any declaration, payment and the amount of the dividends will be subject to the Articles of Association and the Companies Law of the Cayman Islands, including the approval of the shareholders. Any future declarations of dividends may or may not reflect the Company's historical declarations of dividends and will be at the absolute discretion of the Directors.

The dividends paid by the Company will also depend upon the availability of dividends received from the Company's subsidiaries in the PRC. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside part of their profit for the year as statutory reserves, which are not available for distribution as cash dividends. Distributions from the Company's subsidiaries may also be restricted if they incur debt or losses or pursuant to any restrictive covenants in bank credit facilities or other agreements that the Company or the Company's subsidiaries and associated companies may enter into.

Any dividends declared will be in Hong Kong dollars with respect to the shares of the Company on a per share basis, and the Company will pay such dividends in Hong Kong dollars.

RESULTS AND FINAL DIVIDENDS

The Group's operating results for the year ended 31 December 2024 and the financial position of the Group as at 31 December 2024 are set out on pages 68 to 70 in the audited consolidated financial statements of this annual report.

The Board proposed the payment of a final dividend of HK102 cents per share for the year ended 31 December 2024 (the "2024 Final Dividend"). The 2024 Final Dividend, subject to the approval of the shareholders at the annual general meeting of the Company (the "2024 Annual General Meeting") which will be held on Wednesday, 7 May 2025, will be paid on or before Friday, 13 June 2025 to the shareholders whose names appear on the register of members of the Company on Thursday, 29 May 2025.

The payment of 2024 Final Dividend of HK102 cents per share was proposed. Together with the paid 2024 interim dividend of HK59 cents per share in aggregate, the total dividend for the year 2024 is HK161 cents per share (2023: HK63 cents per share).

There was no arrangement under which any shareholder of the Company has waived or agreed to waive any dividend during the Year.

CLOSURE OF REGISTER OF MEMBERS

The share register of the Company will be closed from Wednesday, 30 April 2025 to Wednesday, 7 May 2025 (both days inclusive), during which no transfer of shares will be effected. Shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 7 May 2025 are entitled to attend and vote at the forthcoming 2024 Annual General Meeting. In order to be entitled to attend the 2024 Annual General Meeting and vote at the meeting, all completed share transfer documents accompanying with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, for registration not later than 4:30 p.m. on Tuesday, 29 April 2025. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

The share register of the Company will be closed from Friday, 23 May 2025 to Thursday, 29 May 2025 (both days inclusive), during which no transfer of shares will be effected. Shareholders of the Company whose names appear on the register of members of the Company on Thursday, 29 May 2025 are entitled to the 2024 Final Dividend. In order to qualify for the 2024 Final Dividend, all completed share transfer documents accompanying with the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, for registration not later than 4:30 p.m. on Thursday, 22 May 2025. The address of Computershare Hong Kong Investor Services Limited is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Group for the years ended 31 December 2020, 2021 and 2022, and from the audited consolidated financial statements of the Group for the years ended 31 December 2023 and 2024 on pages 68 to 70 in this annual report, is set out below:

Results

	For the year ended 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Revenue	86,144,641	114,490,941	131,699,427	133,623,632	**156,168,720**
Cost of sales	(66,789,453)	(84,037,845)	(113,460,127)	(112,669,035)	**(114,006,028)**
Gross profit	19,355,188	30,453,096	18,239,300	20,954,597	**42,162,692**
Other income and gains	2,700,719	3,706,677	3,928,933	3,713,038	**2,984,394**
Selling and distribution expense	(399,894)	(525,709)	(597,679)	(755,274)	**(661,024)**
Administrative expenses	(4,052,174)	(5,708,346)	(5,933,759)	(4,952,875)	**(4,992,949)**
Other expenses	(616,586)	(1,690,523)	(329,047)	(945,299)	**(2,898,537)**
Finance costs	(4,506,236)	(3,625,974)	(3,019,544)	(3,267,938)	**(3,363,259)**
Changes in the fair values of financial instruments	(291,255)	(116,806)	(184,981)	(49,044)	**(2,192,462)**
Share profit of associates	514,588	61,519	503,335	1,193,259	**1,758,457**
Profit before taxation	12,704,350	22,553,934	12,606,558	15,890,464	**32,797,312**
Income tax expenses	(2,259,599)	(5,705,135)	(2,797,583)	(3,392,712)	**(8,251,619)**
Profit for the year	10,444,751	16,848,799	9,808,975	12,497,752	**24,545,693**
Profit (loss) for the year attributable to:					
Owners of the parent	10,495,936	16,073,342	8,701,953	11,460,678	**22,372,331**
Non-controlling interests	(51,185)	775,457	1,107,022	1,037,074	**2,173,362**

Assets and liabilities

	As at 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Total assets	181,531,000	188,420,922	185,741,791	200,320,085	**229,165,032**
Total liabilities	104,729,330	95,982,093	89,436,014	94,063,640	**110,551,534**

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2024 are set out in note 16 to the consolidated financial statements.

BANK AND OTHER BORROWINGS

Details of bank and other debts of the Group as at 31 December 2024 are set out in notes 35, 37, 38, 39 and 40 to the consolidated financial statements.

SHARE CAPITAL, DEBENTURES AND EQUITY-LINKED AGREEMENTS

Details of the changes in share capital of the Company during the year ended 31 December 2024 are set out in note 43 to the consolidated financial statements. Details of the Company's bonds and notes during the year ended 31 December 2024 are set out in notes 37, 38, 39 and 40 to the consolidated financial statements. The Company does not have any share option scheme. During the year ended 31 December 2024, the Company has not entered into any other equity-linked agreement, nor there was any equity-linked agreement subsisting at the end of the Year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association and the law of the Cayman Islands, and there is no restriction regarding such rights which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2024 and as at the date of this annual report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2024 and up to the date of this annual report, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the shares in, or debentures of, the Company or any other body corporate or had exercised any such right in the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

On 15 January 2025, 16 January 2025, 17 January 2025, 23 January 2025, 28 January 2025, 3 February 2025, 5 February 2025, 27 March 2025, 28 March 2025, 31 March 2025, 1 April 2025, 2 April 2025 and 3 April 2025, pursuant to the share repurchase mandate granted by the shareholders of the Company at the annual general meeting held on 14 May 2024, the Company repurchased 5,567,000, 1,129,500, 900,000, 2,497,500, 1,200,000, 14,500, 341,000, 4,631,000, 6,981,000, 13,070,500, 3,467,500, 4,965,000 and 3,590,000 ordinary shares of the Company, respectively. The foregoing share repurchases involved 48,354,500 ordinary shares in total. On 20 February 2025, the Company cancelled part of the aforesaid repurchased shares of 11,649,500 ordinary shares in total, representing approximately 0.12% of the total number of issued shares of the Company as at 31 December 2024.

The Company undertook share repurchases because the Board believed that the Company's share price deviated from the value of the Company. The share repurchases reflected the confidence of the Board and the management team in the Company's long-term strategy and growth. The Directors considered that the share repurchases were in the best interests of the Company and the shareholders as a whole.

The Company repurchased the following shares on the Stock Exchange up to the latest practicable date before the publication of this annual report:

Repurchase date	Number of ordinary shares of US$0.01 each	Price per share Lowest HK$	Highest HK$	Consideration paid (excluding commissions and other expenses) HK$
15 January 2025	5,567,000	11.26	11.48	63,283,050
16 January 2025	1,129,500	11.94	12.00	13,516,610
17 January 2025	900,000	11.96	12.00	10,782,000
23 January 2025	2,497,500	12.50	12.60	31,269,199.5
28 January 2025	1,200,000	12.98	13.00	15,577,320
3 February 2025	14,500	12.60	12.60	182,700
5 February 2025	341,000	12.76	12.80	4,361,355.9
27 March 2025	4,631,000	15.56	16.06	73,557,877.8
28 March 2025	6,981,000	15.88	16.16	111,966,862.8
31 March 2025	13,070,500	15.78	16.00	208,213,065
1 April 2025	3,467,500	15.84	16.00	55,145,039.5
2 April 2025	4,965,000	15.32	16.00	77,679,411
3 April 2025	3,590,000	14.36	15.10	52,984,451
Total	48,354,500			718,518,942.5

Details are set out in the Company's next day disclosure returns dated 16 January 2025, 17 January 2025, 24 January 2025, 28 January 2025, 4 February 2025, 6 February 2025, 28 March 2025, 1 April 2025, 2 April 2025 and 3 April 2025, respectively.

In addition, on 18 March 2025, concurrent with the offering of US$300,000,000 1.50% convertible bonds due 2030, the Company concurrently repurchased 20,548,000 shares by private arrangement from the relevant buyers of the convertible bonds at a price of HK$14.6 per share (total consideration excluding commissions and other expenses: HK$300,000,800), which have not yet been cancelled as at the latest practicable date before the publication of this annual report. The Board was of the view that the concurrent share repurchases reflected the confidence of the Board and the management team in the long-term strategy and growth of the Company and considered that the share repurchases were in the best interests of the Company and its shareholders as a whole. Details are set out in the announcements of the Company dated 17 March 2025 and 18 March 2025 and the next day disclosure return dated 19 March 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024 and up to the latest practicable date before the publication of this annual report.

SENIOR NOTES

(1) On 1 June 2021, the Company announced to issue 6.25% senior unsecured notes due 2024 with an aggregate principal amount of US$500,000,000. The notes were listed and quoted on the SGX-ST and matured on 8 June 2024. On the maturity date, the Company redeemed the notes in full based on its remaining aggregate principal amount and the interest accrued to the maturity date. Please refer to the announcements of the Company dated 1 June 2021 and 10 June 2021 for details.

(2) On 25 March 2024, the Company announced to issue 7.75% senior unsecured notes due 2025 with an aggregate principal amount of US$300,000,000. The net proceeds from the issue of the notes, after deducting the underwriting discounts and commission and other expenses payable in connection with the offering, were approximately US$297,600,000. The notes were listed and quoted on the SGX-ST. The proceeds were fully utilised by the Company for the uses as described in the announcement of the Company dated 25 March 2024. Please refer to the announcements of the Company dated 25 March 2024 and 2 April 2024 for details.

(3) On 6 January 2025, the Company announced to issue 7.05% senior unsecured notes due 2028 with an aggregate principal amount of US$330,000,000. The notes were listed and quoted on the SGX-ST. The Company intends to use the net proceeds of the offering to refinance existing offshore debt and for general corporate purposes. The proceeds were fully utilised by the Company for the uses as described in the announcement of the Company dated 6 January 2025. Please refer to the announcements of the Company dated 6 January 2025 and 14 January 2025 for details.

CORPORATE BONDS OF SHANDONG HONGQIAO

(1) On 2 September 2020, Shandong Hongqiao obtained the "Approval for the Registration for Public Issuance of Corporate Bonds to Professional Investors by Shandong Hongqiao New Material Co., Ltd. (Zheng Jian Xu Ke [2020] No. 2060)"(《關於同意山東宏橋新型材料有限公司向專業投資者公開發行公司債券註冊的批覆》) from the China Securities Regulatory Commission, approving Shandong Hongqiao to issue the corporate bonds of not more than RMB20,000,000,000 in the PRC.

(i) On 11 June 2021, Shandong Hongqiao completed the issuance of 2021 domestic corporate bonds (first tranche) (type 2), with an offering size of RMB500,000,000, for a term of 2+1 years (3-year fixed rate bonds, with the issuer's option to adjust the coupon rate and the investors' option to sell back at the end of the second year) and carrying an interest rate of 5.60% per annum. Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 27 April 2023 to 4 May 2023, the sell-back amount of the bondholders was RMB150,000,000. From 12 June 2023 to 11 July 2023, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB150,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB500,000,000 and the coupon rate decreases to 4.50%.

The bonds matured on 11 June 2024 and Shandong Hongqiao has redeemed the bonds in full at their remaining aggregate principal amount together with interest accrued to the maturity date.

(ii) On 20 August 2021, Shandong Hongqiao completed the issuance of 2021 domestic corporate bonds (second tranche), with an offering size of RMB1,000,000,000, for a term of 1+1+1 years (3-year fixed rate bonds, with the issuer's option to adjust the coupon rate and the investors' option to sell back at the end of the first and second year) and carrying an interest rate of 4.16% per annum. Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 18 July 2022 to 20 July 2022, the sell-back amount of the bondholders was RMB350,000,000. From 22 August 2022 to 19 September 2022, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB350,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB1,000,000,000 and the coupon rate decreases to 3.90%.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 17 July 2023 to 19 July 2023, the sell-back amount of the bondholders was RMB570,000,000. From 21 August 2023 to 15 September 2023, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB570,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB1,000,000,000 and the coupon rate increases to 4.20%.

The bonds matured on 20 August 2024 and Shandong Hongqiao has redeemed the bonds in full at their remaining aggregate principal amount together with interest accrued to the maturity date.

(iii) On 13 June 2022, Shandong Hongqiao completed the issuance of 2022 domestic corporate bonds (first tranche), with an offering size of RMB1,000,000,000, for a term of 2+1 years (3-year fixed rate bonds, with the issuer's option to adjust the coupon rate and the investors' option to sell back at the end of the second year) and carrying an interest rate of 4.30% per annum.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 20 May 2024 to 22 May 2024, the sell-back amount of the bondholders was RMB315,000,000. From 13 June 2024 to 10 July 2024, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB315,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB1,000,000,000 and the coupon rate decreases to 2.80%.

(iv) On 3 August 2022, Shandong Hongqiao completed the issuance of 2022 domestic corporate bonds (second tranche), with an offering size of RMB1,000,000,000, for a term of 2+1 years (3-year fixed rate bonds, with the issuer's option to adjust the coupon rate and the investors' option to sell back at the end of the second year), carrying an interest rate of 4.50% per annum.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 15 July 2024 to 17 July 2024, the sell-back amount of the bondholders was RMB341,000,000. From 3 August 2024 to 30 August 2024, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB341,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB1,000,000,000 and the coupon rate decreases to 2.35%.

(v) On 3 November 2022, Shandong Hongqiao completed the issuance of 2022 domestic corporate bonds (third tranche) (commodity index-linked), with an offering size of RMB1,000,000,000, for a term of 1+1+1+1+1 years (5-year bonds, with the investors' option to sell back at the end of the first, second, third and fourth year and the issuer's option to redeem at the end of the third year). The annual interest rate of the bonds consists of a base rate plus a floating rate. The coupon rate for the first interest-bearing year is 4.00%.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 26 September 2023 to 28 September 2023, the sell-back amount of the bondholders was RMB1,000,000,000. From 3 November 2023 to 30 November 2023, Shandong Hongqiao resold the aforesaid sell-back amount, for a resold amount of RMB620,000,000. After completion of the resale, the remaining principal amount of the bonds is RMB620,000,000 and the coupon rate for the second interest-bearing year is 4.01%.

Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 23 September 2024 to 25 September 2024, the sell-back amount of the bondholders was RMB70,000,000. After completion of the sellback, the remaining principal amount of the bonds is RMB550,000,000 and the coupon rate for the third interest-bearing year is 4.06%.

(2) On 31 August 2023, Shandong Hongqiao obtained the "Approval for the Registration for Public Issuance of Corporate Bonds to Professional Investors by Shandong Hongqiao New Material Co., Ltd. (Zheng Jian Xu Ke [2023] No. 2014)" (《關於同意山東宏橋新型材料有限公司向專業投資者公開發行公司債券註冊的批覆》) from the China Securities Regulatory Commission, approving Shandong Hongqiao to issue the corporate bonds of not more than RMB17,000,000,000 in the PRC.

On 3 July 2024, Shandong Hongqiao completed the issuance of 2024 domestic technology innovation corporate bonds (first tranche) (high-growth industrial bond), with an offering size of RMB500,000,000, for a term of 3 years (3-year fixed rate bonds) and carrying an interest rate of 3.08% per annum.

CORPORATE BONDS OF WEIQIAO ALUMINUM & POWER

On 22 February 2019, Weiqiao Aluminum & Power received "Approval for the Public Issuance of Corporate Bonds to Eligible Investors by Shandong Weiqiao Aluminum & Power Co., Ltd. (Zheng Jian Xu Ke [2019] No. 238)" (《關於核准山東魏橋鋁電有限公司向合格投資者公開發行公司債券的批覆》) from the China Securities Regulatory Commission, approving Weiqiao Aluminum & Power to issue corporate bonds of no more than RMB5,300,000,000 in the PRC.

On 26 March 2019, Weiqiao Aluminum & Power completed the issuance of 2019 domestic corporate bonds (first tranche), with an offering size of RMB2,000,000,000, for a term of 3+2 years (5-year fixed rate bonds, with the issuer's option to adjust the coupon rate and the investors' option to sell back at the end of the third year) and carrying interest rate of 6.00% per annum. Pursuant to the terms on sell-back by investors as set out in the bond prospectus, during the sell-back period from 1 March 2022 to 3 March 2022, the sell-back amount of the bondholders was RMB878,058,200. From 29 March 2022 to 27 April 2022, Weiqiao Aluminum & Power resold the aforesaid sell-back amount, for a resold amount of RMB878,058,200. After completion of the resale, the remaining principal amount of the bonds is RMB2,000,000,000 and the coupon rate decreases to 4.40%.

The bonds matured on 26 March 2024 and Weiqiao Aluminum & Power has redeemed the bonds in full at their remaining aggregate principal amount together with interest accrued to the maturity date.

ADJUSTMENT OF CONVERSION PRICE OF THE 5.25% CONVERTIBLE BONDS DUE 2026 WITH A PRINCIPAL AMOUNT OF US$300,000,000

On 7 January 2021 (after trading hours), the Company and the subsidiary guarantors entered into the convertible bonds subscription agreement with the joint lead managers, pursuant to which the Company has agreed to issue and the joint lead managers have agreed, severally and not jointly, on a best efforts basis, to subscribe and pay for, or to procure subscriptions and payment for the convertible bonds with an initial principal amount of US$300,000,000. The initial conversion price (subject to adjustment) was HK$8.91 per share. The net proceeds of the convertible bonds placing were approximately US$294,000,000 which the Company has fully utilised for the uses as described in the announcement of the Company dated 8 January 2021. Please refer to the announcements of the Company dated 8 January 2021 and 27 January 2021 for details.

Pursuant to the terms and conditions of the convertible bonds, as the Company declared the payment of the final dividend for the year 2020, the conversion price per share was adjusted from HK$8.91 to HK$8.47 effective from 15 June 2021. Please refer to the announcements of the Company dated 11 June 2021 and 15 June 2021 for details.

Pursuant to the terms and conditions of the convertible bonds, as the Company declared the payment of the interim dividend for the year 2021, the conversion price per share was adjusted from HK$8.47 to HK$8.12 effective from 15 November 2021. Please refer to the announcement of the Company dated 25 November 2021 for details.

Pursuant to the terms and conditions of the convertible bonds, as the Company declared the payment of the final dividend for the year 2021, the conversion price per share was adjusted from HK$8.12 to HK$7.63 effective from 1 June 2022. Please refer to the announcement of the Company dated 31 May 2022 for details.

Pursuant to the terms and conditions of the convertible bonds, as the Company declared the payment of the interim dividend for the year 2022, the conversion price per share was adjusted from HK$7.63 to HK$7.24 effective from 21 November 2022. Please refer to the announcement of the Company dated 21 November 2022 for details.

Pursuant to the terms and conditions of the convertible bonds, as the Company declared the payment of the final dividend for the year 2022, the conversion price per share was adjusted from HK$7.24 to HK$7.15 effective from 1 June 2023. Please refer to the announcement of the Company dated 31 May 2023 for details.

Pursuant to the terms and conditions of the convertible bonds, as the Company declared the payment of the interim dividend and special dividend for the year 2023, the conversion price per share was adjusted from HK$7.15 to HK$6.82 effective from 27 November 2023. Please refer to the announcement of the Company dated 24 November 2023 for details.

Pursuant to the terms and conditions of the convertible bonds, as the Company declared the payment of the final dividend for the year 2023, the conversion price per share was adjusted from HK$6.82 to HK$6.54 effective from 31 May 2024. Please refer to the announcement of the Company dated 30 May 2024 for details.

Pursuant to the terms and conditions of the convertible bonds, as the Company declared the payment of the interim dividend for the year 2024, the conversion price per share was adjusted from HK$6.54 to HK$6.14 effective from 25 November 2024. Please refer to the announcement of the Company dated 22 November 2024 for details.

ISSUE OF US$300,000,000 1.50% CONVERTIBLE BONDS DUE 2030

On 17 March 2025 (after trading hours), the Company and the subsidiary guarantors entered into the convertible bonds subscription agreement with the joint lead managers, pursuant to which the Company has agreed to issue and the joint lead managers have agreed, severally and not jointly, on a best efforts basis, to subscribe and pay for, or to procure subscriptions and payment for the convertible bonds with an initial principal amount of US$300,000,000. The initial conversion price (subject to adjustment) was HK$20.88 per share. The net proceeds from the issue of the convertible bonds were approximately US$294,584,687. The Company intends to use the net proceeds from the issue of the convertible bonds to refinance existing offshore debt and for general corporate purposes. As at the date of this annual report, the Company has not utilised the proceeds of this issue. Please refer to the announcements of the Company dated 17 March 2025, 18 March 2025, 26 March 2025 and 27 March 2025 for details.

CHARITABLE DONATIONS

For the year ended 31 December 2024, the Group donated a total of RMB428,078,000, mainly used for carrying out public welfare projects such as rural revitalisation, education and medical care.

RESERVES

Details of changes in the reserves of the Group during the year ended 31 December 2024 are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

Details of distributable reserves of the Company as at 31 December 2024 are set out in note 54 to the consolidated financial statements.

TAX RELIEF

The Directors are not aware of any relief from taxation to which the shareholders are entitled by reason of their holding of the Company's listed securities.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2024, sales to the Group's five largest customers and sales to the Group's largest customer accounted for approximately 44.2% and 31.7% of the Group's total sales for the year ended 31 December 2024 respectively.

During the year ended 31 December 2024, purchases from the Group's five largest suppliers and purchases from the Group's largest supplier accounted for approximately 29.8% and 13.0% of the Group's total purchases for the year ended 31 December 2024 respectively.

None of the Directors, their close associates or any other shareholders (which to the knowledge of the Board own more than 5% of the Company's issued share capital) had any equity interests in the five largest customers or suppliers of the Group during the year ended 31 December 2024.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation in respect of their independence in accordance with the independence guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and the Board considers each of the independent non-executive Directors to be independent.

EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND FIVE HIGHEST PAID EMPLOYEES

The Directors' fees are subject to shareholders' approval at general meetings of the Company. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance. During the Year, Mr. Tu Yikai, a non-executive Director, and Mr. Tian Mingming, a non-executive Director, pursuant to the service contract entered into between them and the Company, did not receive any director's emolument from the Company. Save as disclosed above, none of the Directors waived or agreed to waive any emoluments during the Year. Details in relation to the emoluments of the Directors, chief executive and five highest paid employees for the year ended 31 December 2024 are included in notes 12 and 13 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a term of three years with effect from their respective dates of appointment, which may be terminated by not less than one month's notice in writing served by either the Directors or the Company. The appointments are subject to the provisions of retirement and rotation of directors under the Articles of Association. None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

The list of the Directors of the Company for the year ended 31 December 2024 and up to the date of this annual report are as follows:

Executive Directors

Mr. Zhang Bo *(Chairman, Chief Executive Officer, Authorised Representative)*
Ms. Zheng Shuliang *(Vice Chairman)*
Ms. Zhang Ruilian *(Vice President, Chief Financial Officer)*
Ms. Wong Yuting *(Head of Corporate Finance Department)*

Non-executive Directors

Mr. Yang Congsen
Mr. Zhang Jinglei
Mr. Tu Yikai[Note 1] *(Mr. Zhang Hao as his alternate)*
Mr. Tian Mingming[Note 1] *(Mr. Zhang Hao as his alternate)*
Ms. Sun Dongdong

Independent Non-executive Directors

Mr. Wen Xianjun
Mr. Han Benwen
Mr. Dong Xinyi
Ms. Fu Yulin

Note 1: Mr. Tu Yikai, due to work reallocation, resigned as a non-executive Director and Mr. Zhang Hao ceased to act as an alternate Director to Mr. Tu Yikai, with effect from 11 July 2024. With effect from the same date, Mr. Tian Mingming has been appointed as a non-executive Director and Mr. Zhang Hao has been appointed as an alternate Director to Mr. Tian Mingming.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographies of each of the Directors and senior management are set out on pages 20 to 25 in this annual report.

CHANGES IN INFORMATION OF DIRECTOR AND CHIEF EXECUTIVE

(1) Mr. Tu Yikai resigned as a non-executive Director with effect from 11 July 2024 due to work reallocation.

(2) Due to the resignation of Mr. Tu Yikai, Mr. Zhang Hao ceased to act as an alternate Director to Mr. Tu Yikai with effect from 11 July 2024.

(3) Mr. Tian Mingming was appointed as a non-executive Director of the Company on 11 July 2024.

(4) Mr. Zhang Hao was appointed as an alternate Director to Mr. Tian Mingming with effect from 11 July 2024.

Save for that disclosed above, for the year ended 31 December 2024 and up to the date of this annual report, there was no other change in the Directors and chief executive of the Company, and the Company is not aware of any other changes in the information of the Directors and chief executive of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions" herein, none of the Directors or entities connected with the Directors is or was materially interested, either directly or indirectly, in any other transaction, arrangement or contract of the Company or any of its subsidiaries which was of significance to the business of the Group and subsisted during the year ended 31 December 2024 or at the end of such year.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTEREST AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2024, so far as it is known to the Directors and the chief executive of the Company, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity/type of interest	Number of total shares held	Approximate percentage of shareholding in the total issued share capital as at 31 December 2024 (%)
Shiping Trust Company[1]	Trustee	6,090,031,073 (L)	64.27
Hongqiao Holdings[1]	Beneficial owner	6,090,031,073 (L)	64.27
Ms. Zhang Hongxia[2]	Interest in persons acting in concert	6,098,901,073 (L)	64.36
Ms. Zhang Yanhong[2]	Interest in persons acting in concert	6,098,901,073 (L)	64.36
CTI Capital Management Limited[4]	Beneficial owner	565,690,170[3] (L)	5.97
CITIC Limited[4]	Interest of a controlled corporation	565,690,170 (L)	5.97
CITIC Group Corporation[4]	Interest of a controlled corporation	565,690,170 (L)	5.97

Notes:

(1) Shiping Trust Company ("Shiping Trust Company") held 100% equity interest in China Hongqiao Holdings Limited ("Hongqiao Holdings").

(2) Shiping Trust Company held 100% equity interest in Hongqiao Holdings as trustee. Shiping Global Holding Company Limited ("Shiping Global") is the settlor, protector and one of the beneficiaries of Shiping Prosperity Trust. Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong held 40%, 30% and 30% equity interests in Shiping Global respectively, and to maintain an acting-in-concert arrangement in respect of the exercise of the shareholders' rights of Shiping Global. Accordingly, Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong are deemed to be interested in the shares of the Company held by Hongqiao Holdings. In addition, Mr. Zhang Bo, as the beneficial owner, holds 8,870,000 shares in the Company. By virtue of the acting-in-concert arrangement, Ms. Zhang Hongxia and Ms. Zhang Yanhong are deemed to be interested in the shares of in the Company beneficially held by Mr. Zhang Bo.

(3) According to the disclosure of interests as set out on the website of the Stock Exchange, CTI Capital Management Limited was interested in 565,690,170 shares of the Company in long position.

(4) According to the disclosure of interests as set out on the website of the Stock Exchange, CITIC Group Corporation held 100% equity interest in CITIC Polaris Limited, which held 27.52% equity interest in CITIC Limited, and CITIC Group Corporation also held 100% equity interest in CITIC Glory Limited, which held 25.60% equity interest in CITIC Limited. Thus CITIC Group Corporation indirectly held 53.12% equity interest in CITIC Limited. CITIC Limited held 100% equity interest in CITIC Corporation Limited. CITIC Corporation Limited held 100% equity interest in CITIC Financial Holdings Co., Ltd., which held 100% equity interest in CITIC Trust Co., Ltd. CITIC Trust Co., Ltd. held 100% equity interest in CTI Capital Management Limited. Thus, CITIC Group Corporation and CITIC Limited are deemed to be interested in the shares of the Company held by CTI Capital Management Limited under the SFO.

Save as disclosed above, as at 31 December 2024, so far as it is known to the Directors and chief executive of the Company, there was no any other person (other than the Directors or chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or to be recorded in the register required to be kept by the Company under section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

Long positions in the shares of the Company

Name of director	Capacity/type of interest	Number of total shares held	Approximate percentage of shareholding in the total issued share capital as at 31 December 2024 (%)
Mr. Zhang Bo(1)	Beneficial owner	8,870,000(L)	0.09
	Interest in persons acting in concert	6,090,031,073(L)	64.27

Note:

(1) Shiping Trust Company held 100% equity interest in Hongqiao Holdings as trustee. Shiping Global is the settlor, protector and one of the beneficiaries of Shiping Prosperity Trust. Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong held 40%, 30% and 30% equity interests in Shiping Global respectively, and maintain an acting-in-concert arrangement in respect of the exercise of the shareholders' rights of Shiping Global. Accordingly, Mr. Zhang Bo, Ms. Zhang Hongxia and Ms. Zhang Yanhong are deemed to be interested in the shares of the Company held by Hongqiao Holdings.

Save as disclosed above, as at 31 December 2024, there was no any other Directors or chief executive of the Company or any of their spouse or children under the age of 18 who had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or to be recorded in the register required to be kept under section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of any business of the Company was entered into by the Company or subsisted during the year ended 31 December 2024.

CONTRACTS OF SIGNIFICANCE

Except for those disclosed in the section "Continuing Connected Transactions" and Note 51 to the consolidated financial statements of this annual report, no contract of significance was entered into between the Company or any of its subsidiaries and its controlling shareholder or any of its subsidiaries or for the provision of services to the Company or any of its subsidiaries by its controlling shareholder or any of its subsidiaries during the year ended 31 December 2024.

PERMITTED INDEMNITY PROVISION

According to the Articles of Association, the Directors, secretary and other officers and every auditor of the Company at any time, whether at present or in the past, and the liquidator or trustees (if any) acting or who have acted in relation to any of the affairs of the Company, and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

The Company has purchased and maintained Directors' and senior management liability insurance for the year ended 31 December 2024, which provides appropriate protection over certain legal actions brought against its Directors and senior management.

CONTINUING CONNECTED TRANSACTIONS

The following transactions disclosed in note 51 to the consolidated financial statements constituted non-exempt continuing connected transactions under Chapter 14A of the Listing Rules. As stated in the relevant announcements, the Group has adopted clear pricing policies and guidelines for continuing connected transactions, and adopted procedures for determining the prices and terms of the transactions in accordance with the relevant pricing policies and guidelines, and the Company has complied with all the relevant requirements under Chapter 14A of the Listing Rules.

1. **Provision of industrial waste services to the Company by Beihai Solid Waste**

On 31 January 2019, the Company and Binzhou City Beihai Weiqiao Solid Waste Disposal Co., Ltd. ("Beihai Solid Waste"), the Company's connected person, entered into an industrial waste service agreement for a term commencing on 31 January 2019 and ending on 31 December 2021, pursuant to which Beihai Solid Waste shall provide industrial waste collection, transport, storage and disposal services to the Company and its subsidiaries. Pursuant to the renewal mechanism of such agreement, the Company and Beihai Solid Waste entered into an industrial waste service agreement (the "Previous Industrial Waste Service Agreement") on 23 December 2021, for a term commencing on 1 January 2022 and ending on 31 December 2024. Pursuant to the renewal mechanism of such agreement, the Company and Beihai Solid Waste entered into an industrial waste service agreement (the "Renewed Industrial Waste Service Agreement") on 18 October 2024, for a term commencing on 1 January 2025 and ending on 31 December 2027. The terms and conditions under the Renewed Industrial Waste Service Agreement are basically the same as those under the Previous Industrial Waste Service Agreement. As disclosed in the announcement of the Company dated 14 February 2025, the Renewed Industrial Waste Service Agreement was terminated by the Company and Beihai Solid Waste on 14 February 2025 following the entering into of the Industrial Waste Treatment Agreement between the Company and Binzhou Weiqiao Xinxing Industrial Co., Ltd. on 14 February 2025.

The prices of industrial waste collection, transport, storage and disposal services provided by Beihai Solid Waste to the Company are approximately RMB896.23 per ton (VAT exclusive) for electrolytic cell residue and approximately RMB2,830.19 per ton (VAT exclusive) for combustible waste for the period from 1 January 2024 to 31 December 2024, which were determined with reference to the market prices of the same or comparable types of services provided by other independent third parties in the PRC. Beihai Solid Waste shall provide the evidence of such market prices to the Company upon the request of the Company. If the prices are otherwise mandatorily regulated by the PRC government, the mandatory governmental price shall be adopted by the Industrial Waste Service Agreement.

During the Year, the purchase of industrial waste services under the Industrial Waste Service Agreement by the Company from Beihai Solid Waste amounted to approximately RMB80,840,000, which was below the annual cap of RMB216,982,000 (VAT exclusive) for the year 2024.

Beihai Solid Waste is 51.00% and 49.00% owned by Weiqiao Chuangye Group and Binzhou Beihai Jingmai Industry Development Co., Ltd., an independent third party, while Weiqiao Chuangye Group was an associate of Mr. Zhang Bo, an executive Director (together with other members of his family who are interested in Weiqiao Chuangye Group). Therefore, Beihai Solid Waste is a connected person of the Company under the Listing Rules. Details of the above continuing connected transaction are disclosed in the announcements of the Company dated 31 January 2019, 23 December 2021 and 18 October 2024.

2. **Supply of water for production use by Weiqiao Chuangye Group to Shandong Hongqiao**

On 31 January 2019, Shandong Hongqiao, an indirect subsidiary of the Company, and Weiqiao Chuangye Group, the Company's connected person, entered into a production water supply agreement (the "Production Water Supply Agreement") for a term commencing on 31 January 2019 and ending on 31 December 2021, pursuant to which Weiqiao Chuangye Group shall supply water to the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town for production uses. Pursuant to the renewal mechanism of such agreement, Shandong Hongqiao and Weiqiao Chuangye Group entered into a production water supply agreement (the "Previous Production Water Supply Agreement") on 23 December 2021, for a term commencing on 1 January 2022 and ending on 31 December 2024. Pursuant to the renewal mechanism of such agreement, Shandong Hongqiao and Weiqiao Chuangye Group entered into a renewed production water supply agreement (the "Renewed Production Water Supply Agreement") on 18 October 2024, for a term commencing on 1 January 2025 and ending on 31 December 2027 (both dates inclusive). The terms and conditions under the Renewed Production Water Supply Agreement are basically the same as those under the Previous Production Water Supply Agreement.

The prices of production water supplied by Weiqiao Chuangye Group to Shandong Hongqiao shall be approximately RMB1.99 per ton (VAT exclusive) for the production water supplied to the production bases of Shandong Hongqiao located in Zouping City and Weiqiao Town for the period from 1 January 2024 to 31 December 2024, which are determined with reference to the market prices of production water supplied by other independent third parties in Zouping City and Weiqiao Town. If the prices are otherwise mandatorily regulated by the PRC government, the mandatory governmental price shall be adopted by the Production Water Supply Agreement.

During the Year, the purchase of production water under the Production Water Supply Agreement by Weiqiao Shandong Hongqiao (including its related party(ies)) from Weiqiao Chuangye Group amounted to approximately RMB53,065,000, which was below the annual cap of RMB63,689,000 (VAT exclusive) for the year 2024.

Shandong Hongqiao is an indirect subsidiary of the Company. Weiqiao Chuangye Group was an associate of Mr. Zhang Bo, an executive Director (together with other members of his family who are interested in Weiqiao Chuangye Group). Therefore, Weiqiao Chuangye Group is a connected person of the Company under the Listing Rules. Details of the above continuing connected transaction are disclosed in the announcements of the Company dated 31 January 2019, 23 December 2021 and 18 October 2024.

Save as disclosed above, other transactions set out in Note 51 to the consolidated financial statements did not constitute continuing connected transactions or connected transactions of the Company under Chapter 14A of the Listing Rules, or are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements. The Directors confirm that the Company has complied with the relevant disclosure requirements under Chapter 14A of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDITOR'S CONFIRMATION

The independent non-executive Directors have reviewed the above continuing connected transactions of the Group and have confirmed that these transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The auditors of the Company have provided a letter to the Board confirming that, for the year ended 31 December 2024, nothing has come to their attention that causes them to believe that the above continuing connected transactions:

(i) have not been approved by the Board;

(ii) were not, in all material respects, in accordance with the pricing policies of the Group (for those transactions involving the provision of goods or services by the Group);

(iii) were not entered into, in all material respects, in accordance with the agreements governing such transactions; or

(iv) have exceeded the respective annual caps.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are set out in note 52 to the consolidated financial statements.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standards as set out in the Model Code.

Having made specific enquiry of all the Directors, the Company confirmed that each of the Directors has complied with the required standards set out in the Model Code and the code of conduct of the Company regarding directors' securities transactions throughout the year ended 31 December 2024 and up to the date of this annual report.

COMPLIANCE WITH PROVISIONS OF THE CG CODE

The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules. For the year ended 31 December 2024, the Company has complied with the code provisions of the CG Code, except for the following deviation:

Mr. Zhang Bo, the chief executive officer of the Company, concurrently serves as the chairman of the Board. Code Provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive should be separate and not be performed by the same individual. However, taking into consideration the abundant management experience and industry knowledge of Mr. Zhang Bo and the fact that he is very familiar with the business of the Group, the Board believes that it is beneficial to the continuous and stable development of the business of the Group for Mr. Zhang Bo to serve as both the chairman of the Board and the chief executive officer of the Company. Furthermore, the members of the Board also include qualified professionals and experienced individuals. The Board considers the current composition of the Board can ensure a balance of power and authority with the support of the Board committees and the vice chairman of the Board.

Save as disclosed above, there was no non-compliance of other code provisions of the CG Code by the Company for the year ended 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors up to the latest practicable date before the publication of this annual report, the Company had maintained the public float as approved by Stock Exchange and as permitted under the Listing Rules.

DEED OF NON-COMPETITION

Each of the controlling shareholders has confirmed to the Company of his/her compliance with the deed of non-competition provided to the Company under the Deed of Non-Competition (as defined in the Company's prospectus dated 14 March 2011). The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the controlling shareholders.

AUDIT COMMITTEE

The Company has established the audit committee (the “Audit Committee”) of the Board in compliance with the CG Code for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee is composed of three independent non-executive Directors. The Audit Committee meeting was held on 14 March 2025 to review the annual results and the consolidated financial statements of the Group for the year ended 31 December 2024. The Audit Committee considered that the financial results of the Group for the year ended 31 December 2024 were in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

BUSINESS REVIEW AND FUTURE PROSPECT

Business review and future prospect of the Group during the Year is set out in Management Discussion and Analysis on pages 10 to 19 of this report.

MAJOR RISKS AND UNCERTAINTIES

Major risks and uncertainties faced by the Group are set out in Management Discussion and Analysis on page 16 of the annual report.

INTERNATIONAL AUDITOR

SHINEWING (HK) CPA Limited (“SHINEWING HK”) was the Company’s international auditor for the year ended 31 December 2024.

A resolution for the re-appointment of SHINEWING HK as the international auditor of the Company will be proposed at the 2024 Annual General Meeting.

On behalf of the Board
Zhang Bo
Chairman

Hong Kong
14 March 2025

CORPORATE CULTURE

Technology generates productivity and culture generates cohesion. In the course of its development, the Company has developed five ideological approaches and eight practical requirements, as the inclusive and unique China Hongqiao's management philosophy, and have become an important source of power in promoting the scientific and harmonious sustainable development of the enterprise. While focusing on production efficiency, China Hongqiao insists on the management philosophy of "Happy Work, Blissful Life", which enriches the spare time of the employees and enhances their overall quality, boosting cohesion and creativity for the long-term development of the enterprise.

CORPORATE GOVERNANCE

China Hongqiao is convinced that good corporate governance can create values for its shareholders and the Corporate as a whole. The Board is committed to strengthening its corporate governance to ensure that the Company conducts its business in an honest, transparent and responsible manner and to promoting the development of the Company and the interest of the shareholders.

The Company has applied the principles as set out in the CG Code.

For the year ended 31 December 2024, the Company has complied with the code provisions of the CG Code, except for the following deviation:

Code Provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and not be performed by the same individual. However, taking into consideration the abundant management experience and industry knowledge of Mr. Zhang Bo and the fact that he is very familiar with the business of the Group, the Board believes that it is beneficial to the continuous and stable development of the Group for Mr. Zhang Bo to serve as both the chairman of the Board and the chief executive officer of the Company. Furthermore, the members of the Board also include qualified professionals and experienced individuals. The Board considers the current composition of the Board can ensure a balance of power and authority with the support of the Board committees and the vice chairman of the Board.

Save as disclosed above, there was no non-compliance of other code provisions of the CG Code by the Company for the year ended 31 December 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standards as set out in the Model Code.

Having made specific enquiry of all the Directors, the Company confirmed that each of the Directors has complied with the required standards set out in the Model Code and the code of conduct of the Company regarding directors' securities transactions throughout the year ended 31 December 2024 and up to the date of this annual report.

Corporate Governance Report

THE BOARD

As at the date of this annual report, the Board comprised four executive Directors, four non-executive Directors and four independent non-executive Directors. The Board members are as follows:

Executive Directors
Mr. Zhang Bo *(Chairman, Chief Executive Officer, Authorised Representative)*
Ms. Zheng Shuliang[Note 1] *(Vice Chairman)*
Ms. Zhang Ruilian *(Vice President, Chief Financial Officer)*
Ms. Wong Yuting *(Head of Corporate Finance Department)*

Non-executive Directors
Mr. Yang Congsen
Mr. Zhang Jinglei
Mr. Tu Yikai[Note 2] *(Mr. Zhang Hao as his alternate)*
Mr. Tian Mingming[Note 2] *(Mr. Zhang Hao as his alternate)*
Ms. Sun Dongdong

Independent Non-executive Directors
Mr. Wen Xianjun
Mr. Han Benwen
Mr. Dong Xinyi
Ms. Fu Yulin

Note 1: Ms. Zheng Shuliang is the mother of Mr. Zhang Bo and the mother-in-law of Mr. Yang Congsen.

Note 2: Mr. Tu Yikai, due to work reallocation, resigned as a non-executive Director and Mr. Zhang Hao ceased to act as an alternate Director to Mr. Tu Yikai, with effect from 11 July 2024. With effect from the same date, Mr. Tian Mingming has been appointed as a non-executive Director and Mr. Zhang Hao has been appointed as an alternate Director to Mr. Tian Mingming.

Mr. Tian Mingming and Mr. Zhang Hao obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 11 July 2024. Each of Mr. Tian Mingming and Mr. Zhang Hao has confirmed that they understood their obligations as Directors.

Duties of the Board

The Board is responsible for leading, controlling and overseeing the Group's business strategic decisions and performance. The Board has established subordinate Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. All Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the interests of the Company and its shareholders at all times.

The Board is also responsible for the corporate governance duties contained in Code Provision A.2.1 of Part 2 of the CG Code, including but not limited to:

(i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(ii) to review and monitor the training and continuous professional development of Directors and senior management;

(iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and

(v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

The Board has performed the above corporate governance duties for the year ended 31 December 2024. The Board has reviewed the Company's compliance with the CG Code for the year ended 31 December 2024 and this corporate governance report.

Delegation of management function of the Board

The Board takes responsibility for all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflicts of interest), financial information and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services provided by the company secretary of the Company, with a view to ensure that the Board procedures and all applicable rules and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the chief executive officer and the senior management of the Company. The delegated functions and work tasks are periodically reviewed by the Board.

Responsibilities of the Management

The chief executive officer of the Company shall be accountable to the Board and responsible for managing the production and business operations of the Company and organising the implementation of resolutions of the Board; organising the implementation of the Company's annual business plans and investment plans; drafting the plan for the internal management setup of the Company; drafting the basic management system of the Company; formulating basic rules of the Company; proposing appointment or dismissal of the vice presidents and chief financial officer of the Company; appointing or dismissing executives other than those to be appointed or dismissed by the Board; and exercising other functions and powers conferred in the Articles of Association and by the Board.

The company secretary of the Company shall be accountable to the Board and responsible for ensuring the compliance of the Board with all applicable laws and regulations. The company secretary of the Company shall also keep minutes of general meetings and meetings of the Board and its committees.

Appointment and re-election of Directors

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The nomination committee of the Board (the "Nomination Committee") is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and assessing the independence of independent non-executive Directors.

Each of the Directors has entered into a service contract with the Company for a period of three years. Unless terminated by not less than one month's notice in writing served by either the Directors or the Company, the contract will be automatically renewed until terminated in accordance with the terms of the service contract. The appointments of the Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association. At the 2023 annual general meeting of the Company on 14 May 2024, Mr. Zhang Bo, Ms. Zheng Shuliang, Ms. Zhang Ruilian, Ms. Wong Yuting, Mr. Yang Congsen, Mr. Zhang Jinglei, Mr. Tu Yikai (Mr. Zhang Hao as his alternate), Ms. Sun Dongdong, Mr. Wen Xianjun, Mr. Han Benwen, Mr. Dong Xinyi and Ms. Fu Yulin were re-elected as Director.

In accordance with the Articles of Association, all the Directors are subject to retirement by rotation at least once every three years. Any Director appointed by the Directors to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

Induction training and development

The Company provides induction training programme for all new Directors which, taking into account their experience and background, is designed to enhance their knowledge and understanding of the Group's culture and operations as well as their relevant roles and responsibilities.

Development and training of Directors is an ongoing process so that they can perform their duties appropriately. All Directors are encouraged to attend relevant training courses at the Company's expense. From 1 January 2024 to 31 December 2024, all Directors have been required to provide the Company with their training records, and relevant records have been maintained by the company secretary of the Company. All Directors including Mr. Zhang Bo, Ms. Zheng Shuliang, Ms. Zhang Ruilian, Ms. Wong Yuting, Mr. Yang Congsen, Mr. Zhang Jinglei, Mr. Tu Yikai (Mr. Zhang Hao as his alternate), Mr. Tian Mingming (Mr. Zhang Hao as his alternate), Ms. Sun Dongdong, Mr. Wen Xianjun, Mr. Han Benwen, Mr. Dong Xinyi, Ms. Fu Yulin and the company secretary of the Company Ms. Zhang Yuexia attended the training courses or continuing study programmes in relation to corporate governance and management to further enhance their knowledge and skills.

Performance evaluation

The Board recognises the importance and benefits of conducting regular evaluations of performance of the Group to ensure improvement in its functioning. During the year 2024, the Board had conducted the evaluation of its performance.

Number of meetings and Directors' attendance

Code Provision C.5.1 of Part 2 of the CG Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of a majority of Directors, either in person or through other electronic means of communication. The Company has adopted the practice of holding Board meetings regularly for at least four times a year at approximately quarterly intervals.

During the year ended 31 December 2024, nine Board meetings were held by the Directors either in person or through electronic means of communication and the attendance records of individual Directors at the Board meetings are set out below:

Name of Directors	Number of Board Meetings Attended/Held	Number of General Meetings Attended/Held
Executive Directors		
Mr. Zhang Bo	9/9	1/1
Ms. Zheng Shuliang	8/9	1/1
Ms. Zhang Ruilian	8/9	1/1
Ms. Wong Yuting	8/9	1/1
Non-Executive Directors		
Mr. Yang Congsen	8/9	1/1
Mr. Zhang Jinglei	8/9	1/1
Mr. Tu Yikai (1) *(Mr. Zhang Hao as his alternate)*	1/9	1/1
Mr. Zhang Hao (1) *(as alternate of Mr. Tu Yikai)*	1/9	0/1
Mr. Tian Mingming (2) *(Mr. Zhang Hao as his alternate)*	2/9	0/1
Mr. Zhang Hao (2) *(as alternate of Mr. Tian Mingming)*	0/9	0/1
Ms. Sun Dongdong	8/9	1/1
Independent Non-Executive Directors		
Mr. Wen Xianjun	9/9	1/1
Mr. Han Benwen	9/9	1/1
Mr. Dong Xinyi	8/9	1/1
Ms. Fu Yulin	9/9	1/1

Notes

(1) Mr. Tu Yikai resigned as a non-executive Director on 11 July 2024. Mr. Zhang Hao ceased to be an alternate Director to Mr. Tu Yikai on 11 July 2024.

(2) Mr. Tian Mingming was appointed as a non-executive Director on 11 July 2024. Mr. Zhang Hao was appointed as an alternate Director to Mr. Tian Mingming with effect from 11 July 2024.

During the year ended 31 December 2024, the chairman of the Board held one meeting with independent non-executive Directors without the presence of other Directors.

PRACTICES AND CONDUCT OF MEETINGS

Annual meeting schedules and draft agenda of each meeting are normally made available to Directors in advance.

Notices of regular Board meetings are served to all Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments, financial position of the Company and to enable them to make informed decisions. Each Director also has separate and independent access to the senior management whenever necessary.

The senior management of the Company including chief executive officer and chief financial officer attend all regular Board meetings and where necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company. The company secretary of the Company is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting, and the final version is open for Directors' inspection.

The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their close associates have a material interest.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Since the listing date on 24 March 2011, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

With reference to the guidelines as set out in Rule 3.13 of the Listing Rules, the Company confirms the independence of all the independent non-executive Directors.

The Company has put in place mechanisms to ensure that the Board has access to independent advice and information. This is achieved by the Directors having access to external independent professional advice such as legal advisers and auditors, and by all independent non-executive Directors attending all Board meetings and relevant committee meetings held during the reporting period.

The Board reviews the implementation and effectiveness of the above mechanism on an annual basis.

TERMS OF OFFICE OF NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors and independent non-executive Directors has entered into a service contract with the Company for a term of three years with effect from their respective dates of appointment, unless terminated by not less than one month's notice in writing served by either the Directors or the Company. The relevant appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The chairman and chief executive officer of the Company is Mr. Zhang Bo. The chairman provides leadership for the Board, and is responsible for ensuring that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. He is also responsible for the strategic management of the Group and for formulating its overall corporate direction and focus. The chief executive officer is responsible for the management of Company business and the Group's overall operation. The chairman and chief executive officer shall have clearly defined roles and duties as detailed in the Company's code of corporate governance.

Though Code Provision C.2.1 of Part 2 of the CG Code stipulates that the duties of the chairman and chief executive officer should be differentiated and shall not be held by the same person, Mr. Zhang Bo is both chairman and chief executive officer of the Company. The Board is of the opinion that this arrangement will not affect the balance of power and duties between the Board and the management. The Board comprises of highly experienced and talented members who meet regularly to discuss matters affecting the Company's operations. Through the Board's operation, a balance between power and duties can be maintained. The Board believes that this arrangement facilitates stable and consistent leadership and enables the Company to make and implement decisions in an efficient and effective manner. The Board believes that the appointment of Mr. Zhang Bo as chairman and chief executive officer will benefit the business development and management of the Company and improve coordination between the Board and the senior management.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies on remuneration of the Directors and the senior management of the Group. Details of the remuneration of each of the Directors, chief executive and five highest paid employees for the year ended 31 December 2024 are set out in notes 12 and 13 to the consolidated financial statements.

Remuneration paid to the senior management (excluding the Directors) by bands for the year ended 31 December 2024 is set out below:

Remuneration bands	Number of individuals
Nil to HK$1,000,000 (Nil to approximately RMB926,000)	1

SUBORDINATE COMMITTEES OF THE BOARD

- Audit Committee
- Remuneration committee (the "Remuneration Committee")
- Nomination Committee
- Sustainability Committee

Each committee of the Board may decide upon all matters within its terms of reference and applicable authority.

A. AUDIT COMMITTEE

The Audit Committee was established on 16 January 2011. At present, the Audit Committee is comprised of three independent non-executive Directors.

The composition of the Audit Committee

Mr. Han Benwen *(Chairman of the Audit Committee)*
Mr. Wen Xianjun
Mr. Dong Xinyi

Roles and functions

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as assigned by the Board.

The Company's results for the year ended 31 December 2024 have been reviewed by the Audit Committee.

The work of the Audit Committee for the year ended 31 December 2024 primarily included reviewing the Group's annual results and annual report for the year ended 31 December 2023 and interim results and interim report for the six months ended 30 June 2024, the review of material issues such as the terms of appointment and remuneration of the external auditors and the Group's continuing connected transactions, and reviewing the effectiveness of the risk management and internal control system and internal audit function of the Company.

Attendance Records of Members at Meetings

During the year ended 31 December 2024, the Audit Committee held two meetings, and the attendance record of members of the Audit Committee at the Audit Committee meetings are set out below:

Name of Directors	Number of Meetings Attended/Held
Mr. Han Benwen	2/2
Mr. Wen Xianjun	2/2
Mr. Dong Xinyi	2/2

B. REMUNERATION COMMITTEE

The Remuneration Committee was established on 16 January 2011. At present, the Remuneration Committee is comprised of an executive Director and two independent non-executive Directors.

The composition of the Remuneration Committee

Mr. Han Benwen *(Chairman of the Remuneration Committee)*
Mr. Zhang Bo
Mr. Wen Xianjun

Roles and functions

The primary duties of the Remuneration Committee include (but without limitation): (i) to make recommendations to the Board on the Company's policy and structure for the Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment (i.e. the model of the Remuneration Committee as described in Code Provision E.1.2(c) (ii) of Part 2 of the CG Code); and (iv) to make recommendations to the Board on the remuneration of non-executive Directors.

The Remuneration Committee normally meets at least once a year for reviewing the remuneration policy and structure, the annual remuneration packages and service contracts of the executive Directors and the senior management and other related matters.

The work of the Remuneration Committee for the year ended 31 December 2024 primarily included evaluating the performance of the executive Directors, reviewing the remuneration policy of the Company, and reviewing remuneration of the Directors for the year ended 31 December 2024 and making recommendations to the Board.

Directors' Remuneration Policy

The executive Directors of the Company receive salaries, allowances and other benefits in accordance with their positions, retirement benefits contributions and a fixed director's fee which is payable annually upon consideration and approval of the fee standard at the general meeting.

The non-executive Directors of the Company receive a fixed director's fee which is payable annually upon consideration and approval of the fee standard at the general meeting. Where applicable, non-executive Directors also receive salaries, allowances and other benefits in accordance with their positions and are entitled to retirement benefits contributions.

The independent non-executive Directors of the Company receive a fixed director's fee only, which is payable on an annual basis upon consideration and approval of the fee standard at the general meeting. The independent non-executive Directors are not entitled to any salary, allowances and other benefits in the Company. The independent non-executive Directors shall be reimbursed for their travel expenses (actual reimbursement with invoices) to attend the Board meetings and general meetings of the Company and other expenses incurred in the exercise of their powers and functions in accordance with the Articles of Association. The independent non-executive Directors do not participate in the Company's internal performance appraisal which is linked to their remunerations.

Attendance Records of Members at Meetings

During the year ended 31 December 2024, the Remuneration Committee held one meeting to fulfill the duties as required aforesaid and the attendance record of members of the Remuneration Committee at the Remuneration Committee meetings are set out below:

Name of Directors	Number of Meetings Attended/Held
Mr. Han Benwen	1/1
Mr. Zhang Bo	1/1
Mr. Wen Xianjun	1/1

C. NOMINATION COMMITTEE

The Nomination Committee was established on 16 January 2011. At present, the Nomination Committee is comprised of an executive Director and two independent non-executive Directors.

The composition of the Nomination Committee

Mr. Zhang Bo *(Chairman of the Nomination Committee)*
Mr. Han Benwen
Ms. Fu Yulin

Roles and functions

The primary duties of the Nomination Committee include: (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified to become the Directors and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) to assess the independence of independent non-executive Directors; and (iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Company.

The work of the Nomination Committee for the year ended 31 December 2024 primarily included reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, assessing the independence of the independent non-executive Directors, and making recommendations to the Board for its consideration regarding the re-election of retiring Directors at the Company's annual general meeting.

Attendance Records of Members at Meetings

During the year ended 31 December 2024, the Nomination Committee held two meetings, and the attendance record of members of the Nomination Committee at the Nomination Committee meetings are set out below:

Name of Directors	Number of Meetings Attended/Held
Mr. Zhang Bo (Chairman of the Nomination Committee)	2/2
Mr. Han Benwen	2/2
Ms. Fu Yulin	2/2

Nomination Policy and Diversity Policy of the Board

The procedures for nomination, appointment, re-election and dismissal of Directors are set out in the Articles of Association. After performing due diligence and taking into consideration of the qualification and biography of the director candidates, the Nomination Committee will make recommendation to the Board for consideration and approval. Where vacancies on the Board exist, the Nomination Committee will carry out the selection process by making reference to the gender, age, cultural and educational background, skills, experience, professional knowledge, personal integrity and time commitments and independence of the independent non-executive Director, the Company's needs and other relevant statutory requirements and regulations.

The Company has adopted board diversity policy according to Rule 13.92 of the Listing Rules. The Nomination Committee reviews the structure, size and diversity of the composition of the Board regularly to ensure that the Board has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

Policy Summary

All appointments to the Board are made on the basis of merit, with due regard to the benefits of diversity on the Board, including but not limited to gender diversity, in considering candidates on appropriate terms. The Company considers the level of diversity at Board level to be an important factor in maintaining a competitive advantage and in attracting, retaining and motivating staff from as wide a pool of talent as possible. The Company should actively ensure a balance of skills, experience and diversity of opinion among its Board members to support the execution of its business strategy.

Measurable Targets

(i) the proportion of female members should be maintained at 30% or more. It is expected that the proportion of women on the Board will gradually increase as more women take up senior positions in the economy, leading to an increase in the number of suitable candidates for directorship;

(ii) the proportion of members aged 50 or below should be maintained at 40% or above. A Board of different ages and length of service will promote diversity in Board composition and reduce the risk of reappointment; and

(iii) at least one member with professional accounting qualifications and one member with professional legal qualifications to enable the Board to match the different skills required by the Company's business.

Talent Development

The Company provides regular on-the-job training to its employees to ensure that they have a thorough understanding of the Company's business and policies and their roles and responsibilities, and to fill any gaps in their knowledge.

The Company also provides training for staff with special potential to equip them with the attributes and competencies required by the Board in the future, with a view to developing a more experienced and skilled workforce to enable them to progress to directorships in time to meet the Company's future strategic needs and operating environment.

Monitoring and Reporting

The Nomination Committee will annually discuss and agree on all measurable objectives to achieve Board diversity and recommend to the Board the adoption of such objectives. Based on the objectives set, the Company will annually assess the diversity status of the Board, including its gender representation, and its progress in achieving its diversity objectives.

The Nomination Committee will monitor the implementation of this policy and will report annually in the Corporate Governance Report on the composition of the Board in terms of diversity (including gender, ethnicity, age and length of service) and progress against the objectives set in this policy.

The Nomination Committee will review this policy as and when appropriate to ensure that it is effective. The Nomination Committee will discuss any changes that may be required and make recommendations of changes to the Board for its approval.

As at the date of this annual report, the Board consisted of twelve Directors, including five female Directors as well as Directors who are professionals in law and accounting, and the Board has achieved diversity in its membership in terms of gender, professional background and skill, etc.

At the end of 2024, the Group had approximately 51,320 employees in total (including senior management), of whom approximately 84% were male and approximately 16% were female. The Company considers that it has achieved the stated objective of gender diversity among all employees, including senior management.

D. SUSTAINABILITY COMMITTEE

The Sustainability Committee was established on 14 March 2025. At present, the Sustainability Committee is comprised of four executive Directors and three non-executive Directors.

The composition of the Sustainability Committee

Mr. Zhang Bo *(Chairman of the Sustainability Committee)*
Ms. Zheng Shuliang
Mr. Yang Congsen
Mr. Zhang Jinglei
Ms. Zhang Ruilian
Ms. Wong Yuting
Ms. Sun Dongdong

Roles and functions

The primary duties of the Sustainability Committee include (but not limited to):

(i) to direct and develop the Company's vision, goals, strategies and structure on sustainability matters; to oversee research and make recommendations on the Company's management systems, work procedures and related standards and methodologies in the area of sustainability management including but not limited to climate change, health and safety, community relations, supplier management, environment, human rights and anti-corruption to meet the Company's needs and ensure compliance with applicable laws, regulations, regulatory requirements and international standards;

(ii) to identify and assess risks related to sustainable development (including climate change), and discuss and enhance risk management and internal control systems to monitor and respond to significant risks and opportunities related to sustainable development (including climate change) and report and make recommendations to the Board;

(iii) to monitor the development and implementation of the Company's environmental, social and governance (the "ESG") vision, objectives, strategy and structure, including setting the Company's ESG management performance objectives and key performance indicators and reviewing the progress of the implementation of the objectives. It is responsible for the consideration of the Company's environmental and social responsibilities, sustainability objectives and key performance indicators, and making recommendations on remuneration for performance in light of the results of the implementation of the management's sustainability matters and the achievement of the performance objectives; and to advise the Board on improving performance;

(iv) to supervise the operation of the Company's sustainability system in each business segment, consider and review the impact of the Company's business on the environment, society and sustainable development, respond proactively to emerging sustainability issues, and provide recommendations and proposals to enhance the Company's sustainability performance; and

(v) to review the Company's ESG report and other ESG related disclosures, make recommendations to the Board to maintain the integrity of the ESG report and other ESG related disclosures, and ensure compliance with the requirements of the Listing Rules and meet stakeholders' expectations.

The Sustainability Committee shall meet at least once a year and as needed.

Attendance Records of Members at Meetings

As the Sustainability Committee was established on 14 March 2025, no meetings of the Sustainability Committee were held during the year ended 31 December 2024 to fulfil the duties as required aforesaid.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2024.

The Board is responsible for presenting a balanced, clear and understandable assessment of the Company's performance in annual and interim reports and other financial disclosures required by the Listing Rules.

The senior management of the Company has provided sufficient explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial and other information of the Company put before it for approval.

The Directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

EXTERNAL AUDITOR

The external auditors are responsible for presenting independent opinions on the financial statements of the Company according to the results of their auditing work, and reporting to the Company on the same.

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2024 amounted to RMB4,200,000 (VAT inclusive) and RMB1,940,000, respectively. For non-audit services (including tax audit, ESG report review and internal control review services), which was performed by an affiliate firm of SHINEWING HK, the remuneration was RMB346,703.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the effectiveness of the risk management and internal control system of the Company, and make annual reviews on the effectiveness of such systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company has established its internal audit functions. Relevant procedures have been designed for safeguarding assets against unauthorised use or disposal, controlling excessive capital expenditure, maintaining proper accounting records, and the reliability of financial information used in the operations or for publication. The Audit Committee is responsible for the internal audit. Qualified management personnel of the Company will maintain and monitor the internal control system on a going concern basis.

The Group has in place a relatively comprehensive risk management and internal control system and clearly defines the responsibility and authority of each business unit, department and management member. It implements the reporting and approval procedures and accountability system of each business segment to realise compliance in operations and monitor and control each segment effectively. Each business unit identifies risks that may hinder the realisation of business objectives and coordinates with the management members to analyse and evaluate the materiality of such risks. The finance department is responsible for monitoring and controlling financial risks and making recommendations on potential risks identified during the approval procedures. Other management departments identify and make judgment on various circumstances as well as monitor and assess potential risk factors within the scope of their responsibility and authority. If necessary, they can consult professionals at any time and report issues to the Board according to internal management procedures. Before making any material decisions, the Board has to make proper assessment on the potential risks involved and the level of risks.

The Board and its Audit Committee hear reporting of the management with regard to risk management and internal control on an annual basis; they also work together to review the effectiveness of the relevant systems and identify any monitoring and control errors and material procedural defects. If any material defects in internal control are found, the management and the Board have to make active responses and resolve the problems arose in the most appropriate way possible and, at the same time, review the existing systems and procedures to seek improvement and take remedial measures.

The Company understands its responsibilities under Part XIVA of the SFO and the Listing Rules, and has set up procedures and internal control measures for processing and disclosing inside information. It will make public disclosure on inside information as soon as reasonably practicable and strictly comply with the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission when handling matters involving inside information, strictly prohibiting unauthorised use of confidential or insider information.

The Directors bear the duty to continue to pay attention to the production and operation conditions and financial position of the Company as well as existing and potential material issues and their impacts; they shall actively investigate and obtain information required for decision making. After finding out and learning about matters required to be disclosed, the relevant personnel shall make timely reports to the management and the responsible Directors, judge and verify the relevant information and materials, make internal assessment on the matters involved and preliminary suggestions and seek professional advice if necessary. After carrying out relevant internal procedures, the Company will confirm the information disclosure arrangement and ensure the truthfulness, accuracy, completeness, timeliness and fairness of the disclosed information and ensure that such information is free of false representation, materially misleading statement or omission.

The Board has reviewed the risk management and internal control system of the Group for the year ended 31 December 2024, which covers financial, operational, compliance procedural, risk management functions and environmental, social and governance risks, and considers them efficient and adequate. Upon review, the Board was also of the view that there were adequate resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function and in relation to the Company's ESG performance and reporting.

COMPANY SECRETARY

All Directors have access to the advice and services of the company secretary of the Company, Ms. Zhang Yuexia. The company secretary of the Company reports to the chairman on Board governance matters, and is responsible for ensuring that Board procedures are followed, and for facilitating communications among Directors as well as with the shareholders and the management. For the year ended 31 December 2024, the company secretary of the Company undertook over 15 hours of professional training to update her skills and knowledge.

SHAREHOLDERS' RIGHTS

The Company is liable for securing shareholders' interests. The Company maintains contact with its shareholders through annual general meetings or other general meetings, and encourages shareholders to attend those meetings.

Notices of general meeting will be available on the website of the Stock Exchange and the Company's website. Shareholders may also apply to the share registrar and transfer office of the Company for receiving notices of general meeting by mail. Agenda and proposed resolutions are set out in the notice of general meeting.

Shareholders who are unable to be present at the general meeting should fill out the proxy form of the general meeting and return the same to the share registrar and transfer office of the Company, so as to appoint a representative, another shareholder or the chairman of the meeting as their proxy.

According to the Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be convened by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of such failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

SHAREHOLDER COMMUNICATION POLICY

The Shareholder Communication Policy is available on the Company's website and sets out the Company's commitment to maintaining an effective ongoing dialogue with its shareholders.

The purpose of the Shareholder Communication Policy is to ensure that the Company's individual and institutional shareholders and, where appropriate, the investment community as a whole (including, but not limited to, potential investors in the Company and analysts who report and analyse the Company's performance) are provided with effective, equal and timely access to clear, accurate, comparative and understandable key information about the Company's financial performance, strategic objectives and plans, significant developments, regulatory and risk profiles, to enable shareholders to exercise their rights in an informed manner and to bring the Company to the attention of shareholders and the investment community; and to maintain a consistent level of disclosure.

The mechanisms used by the Company to communicate with Shareholders include (i) shareholder enquiries; (ii) corporate communications; (iii) publication of relevant information on the Company's website; (iv) communication at general meetings; (v) communication in the investment market, such as investor/analyst presentations, roadshows, media interviews, marketing campaigns, etc.; and (vi) access to the Company's Investor Relations Department.

The Board is in constant communication with shareholders and the investment community and will review this policy on a regular basis and revise it as appropriate to reflect current best practice in shareholder communication.

The Board has reviewed the Shareholder Communication Policy for the year ended 31 December 2024 to ensure the effectiveness of the Shareholder Communication Policy. This review is conducted annually. Having considered the various channels available for communication and liaison with the shareholders, the Board considers the Shareholder Communication Policy for the year ended 31 December 2024 to be effective.

Shareholders or investors can contact the Company in the following ways to make enquiry or to provide suggestions:

Contact Person:	Ms. Lucia Yu
Tel:	(852) 2815 1080
Fax:	(852) 2815 0089
Email:	luciayu@hongqiaochina.com
Postal Address:	Unit 5105, 51/F, Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company attaches great importance to the communication with shareholders, investors and each of the stakeholders. Since the Company was listed in March 2011, the management team has been maintaining close contact with the capital market proactively and is committed to establishing an effective and diverse communication platform. The Company has a website which contains detailed corporate information, including but not limited to annual and interim reports, announcements and circulars, promotional materials, the latest information, business introduction and the latest corporate data. Meanwhile, in the manner of overseas roadshows, reverse roadshows for investor and media, talks and conference calls with institutional investors and analysts, close communication with investors is made.

In order to provide timely, transparent and fair disclosure to shareholders and investors, the Company has complied with the Listing Rules and published all its price-sensitive information, announcements, interim and annual results in a timely manner. The annual reports, accounts and interim reports contain the details of the Company's activities, and such reports and accounts will be available on the website of the Stock Exchange and the Company's website.

Independent Auditor's Report

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE SHAREHOLDERS OF CHINA HONGQIAO GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Hongqiao Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 68 to 184, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (Continued)

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of property, plant and equipment;
- Impairment assessment of interest in Zouping Binneng Energy Technology Co., Ltd* (“Binneng Energy”) 鄒平濱能能源科技有限公司; and
- Impairment assessment of loans to associates.

* The English translation is for reference only

Impairment assessment of property, plant and equipment

Refer to note 16 to the consolidated financial statements and the accounting policies on page 103 to 104.

The key audit matter

As at 31 December 2024, the carrying amount of property, plant and equipment amounted to approximately RMB75,393,127,000. Management assesses property, plant and equipment for potential impairment whenever there are indications that the carrying value may not be recoverable. An impairment loss on property, plant and equipment of approximately RMB2,635,479,000 was recognised for the year ended 31 December 2024.

We have identified the impairment assessment of the property, plant and equipment as a key audit matter since the carrying amount of property, plant and equipment was significant to the consolidated financial statements and significant judgments and estimates have been used by the management and valuation specialist in determining the recoverable amount of property, plant and equipment.

How the matter was addressed in our audit

We understood the management methodology and basis applied in calculating the recoverable amount.

We evaluated the recoverable amount calculations of the relevant assets prepared by the management by 1) obtaining external valuation reports for those assets where their recoverable amounts are determined by higher of value in use and fair value less cost of disposal; 2) considering the objectivity, independence and competency of the valuation specialist; 3) assessing the appropriateness of the valuation methodologies and challenged the reasonableness of methodologies and the use of market data and assumptions applied in determining the value in use and fair value less cost of disposal and 4) checking the mathematical accuracy of the impairment models.

IMPAIRMENT ASSESSMENT OF INTEREST IN BINNENG ENERGY

Refer to note 20 to the consolidated financial statements and the accounting policies on page 84.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2024, the carrying amount of the Group's interest in Binneng Energy amounted to approximately RMB5,831,048,000. We have identified the impairment assessment of interest in Binneng Energy as a key audit matter since the assessment on the impairment involves significant judgements and estimates made by the management.	Our procedures were designed to assess the management's process for identifying the existence of impairment indicators for the interest in Binneng Energy and to challenge the reasonableness of the recoverable amount, including projections of cash flows, discount rate and growth rates applied, and future prospects of Binneng Energy. In order to address this matter in our audit, we obtained management's impairment assessment and reviewed the future cash flow forecast prepared by management. We also challenged the appropriateness of the assumptions, including the sales growth rates and gross margin, against latest market expectations. We also challenged the discount rates employed in the calculation of value-in-use by reviewing its basis of calculation and comparing its input data to market sources.

IMPAIRMENT ASSESSMENT OF LOANS TO ASSOCIATES

Refer to note 20 and 21 to the consolidated financial statements and the accounting policies on pages 84, 98 to 101.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2024, the Group had loans provided to associates at carrying amount of RMB7,903,718,000, of which RMB5,903,718,000 is included in interests in associates. The loans provided to associates is assessed for impairment individually and involves significant management judgment in assessing the expected credit loss ("ECL"), based on the historical credit loss experience, forward-looking factors specific to the associate and economic environment and the net realisable value of the underlying collateral received. We have identified the impairment assessment of loans to associates as a key audit matter since the assessment on the impairment involves significant judgements and estimates made by the management.	Our procedures were designed to review the management's assessment of the ECL model adopted for the loss allowance on loans to associates. In order to address this matter in our audit, we obtained management's impairment assessment and valuation report prepared by their valuation specialist and challenged the reasonableness of input data used by the management with reference to the historical credit loss experience, financial information of associates, recoverable amount of the collateral, the latest available general economic data and forward looking information.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kwan Chi Fung.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Kwan Chi Fung
Practising Certificate Number: P06614

14 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	**156,168,720**	133,623,632
Cost of sales		**(114,006,028)**	(112,669,035)
Gross profit		**42,162,692**	20,954,597
Other income and gains	7	**2,984,394**	3,713,038
Selling and distribution expenses		**(661,024)**	(755,274)
Administrative expenses		**(4,992,949)**	(4,952,875)
Other expenses	8	**(2,898,537)**	(945,299)
Finance costs	9	**(3,363,259)**	(3,267,938)
Changes in fair values of financial instruments	31	**(2,192,462)**	(49,044)
Share of profits of associates	20	**1,758,457**	1,193,259
Profit before taxation		**32,797,312**	15,890,464
Income tax expenses	10	**(8,251,619)**	(3,392,712)
Profit for the year	11	**24,545,693**	12,497,752
Attributable to:			
Owners of the Company		**22,372,331**	11,460,678
Non-controlling interests		**2,173,362**	1,037,074
		24,545,693	12,497,752
Other comprehensive (expense) income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(92,886)**	108,753
Share of other comprehensive (expense) income of associates		**(60,235)**	22,707
		(153,121)	131,460
Items that will not be reclassified subsequently to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income		**(90,083)**	(141,210)
Total comprehensive income for the year, net of income tax		**24,302,489**	12,488,002
Total comprehensive income for the year attributable to			
Owners of the Company		**22,074,435**	11,422,590
Non-controlling interests		**2,228,054**	1,065,412
		24,302,489	12,488,002
Earnings per share	15		
– Basic (RMB)		**2.3611**	1.2095
– Diluted (RMB)		**2.3611**	1.1952

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	**75,393,127**	70,200,235
Right-of-use assets	17	**9,668,117**	9,675,440
Intangible assets	18	**45,352**	42,907
Investment properties	19	**35,298**	38,159
Deposits paid for acquisition of property, plant and equipment		**1,349,009**	1,045,165
Deferred tax assets	41	**2,621,516**	2,990,023
Interests in associates	20	**13,222,431**	11,034,432
Loan to an associate	21	**2,000,000**	2,000,000
Goodwill	22	**278,224**	278,224
Financial asset at amortised cost	29	**2,494,000**	2,494,000
Financial assets at fair value through other comprehensive income	23	**1,144,810**	1,401,378
Financial assets at fair value through profit or loss	24	**11,088,589**	11,725,159
		119,340,473	112,925,122
CURRENT ASSETS			
Inventories	25	**37,344,003**	33,958,455
Trade receivables	26	**9,773,923**	5,488,751
Bills receivables	27	**6,602,454**	4,977,642
Prepayments and other receivables	28	**7,811,711**	8,747,804
Income tax recoverable		**370,768**	674,610
Restricted bank deposits	30	**2,797,477**	1,826,579
Cash and cash equivalents	30	**44,770,241**	31,721,122
		109,470,577	87,394,963
Non-current assets classified as held for sale	32	**353,982**	–
		109,824,559	87,394,963
CURRENT LIABILITIES			
Trade and bills payables	33	**14,930,515**	11,648,276
Other payables and accruals	34	**13,213,465**	10,603,297
Bank borrowings – due within one year	35	**34,168,202**	30,489,208
Lease liabilities	17	**25,429**	37,952
Income tax payable		**3,674,186**	2,586,352
Short-term debentures and notes	37	**3,000,000**	7,000,000
Medium-term debentures and bonds – due within one year	38	**5,781,304**	8,116,930
Guaranteed notes – due within one year	39	**2,154,409**	3,511,821
Deferred income	42	**35,039**	35,290
		76,982,549	74,029,126
NET CURRENT ASSETS		**32,842,010**	13,365,837
TOTAL ASSETS LESS CURRENT LIABILITIES		**152,182,483**	126,290,959

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
NON-CURRENT LIABILITIES			
Bank borrowings – due after one year	35	**14,134,227**	8,621,908
Other financial liability	36	**2,730,955**	2,965,195
Lease liabilities	17	**932,053**	916,706
Medium-term debentures and bonds – due after one year	38	**9,553,655**	3,206,332
Liability component of convertible bonds – due after one year	40	**2,093,235**	1,963,567
Derivative component of convertible bonds – due after one year	40	**2,109,265**	521,919
Deferred tax liabilities	41	**488,057**	363,704
Deferred income	42	**1,527,538**	1,475,183
		33,568,985	20,034,514
NET ASSETS		**118,613,498**	106,256,445
CAPITAL AND RESERVES			
Share capital	43	**618,881**	618,881
Reserves	44	**107,181,060**	91,625,797
Equity attributable to owners of the Company		**107,799,941**	92,244,678
Non-controlling interests		**10,813,557**	14,011,767
TOTAL EQUITY		**118,613,498**	106,256,445

The consolidated financial statements on pages 68 to 184 were approved and authorised recognised for issue by the board of directors on 14 March 2025 and are signed on its behalf by:

Zhang Bo
Director

Zhang Ruilian
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Investment revaluation reserve RMB'000 (Note 44(d))	Capital reserve RMB'000 (Note 44(a))	Translation reserve RMB'000 (Note 44(c))	Statutory surplus reserve RMB'000 (Note 44(b))	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	618,881	25,040,832	(860,981)	327,046	426,433	18,820,750	47,871,717	92,244,678	14,011,767	106,256,445
Profit for the year	-	-	-	-	-	-	22,372,331	22,372,331	2,173,362	24,545,693
Other comprehensive (expense) income for the year:										
Fair value loss on investments in equity instruments at fair value through other comprehensive income	-	-	(90,083)	-	-	-	-	(90,083)	-	(90,083)
Disposal of financial assets at fair value through other comprehensive income	-	-	809,622	-	-	-	(809,622)	-	-	-
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	(147,578)	-	-	(147,578)	54,692	(92,886)
Share of other comprehensive income of associates	-	-	-	-	(60,235)	-	-	(60,235)	-	(60,235)
Total comprehensive (expense) income	-	-	719,539	-	(207,813)	-	21,562,709	22,074,435	2,228,054	24,302,489
Capital contribution	-	-	-	-	-	-	-	-	74,894	74,894
Change in ownership in interest in a subsidiary (note 48)	-	-	-	1,139,365	-	-	-	1,139,365	(4,223,374)	(3,084,009)
Transfer of reserves	-	-	-	-	-	7,208,169	(7,208,169)	-	-	-
Dividends paid (note 14)	-	-	-	-	-	-	(7,658,537)	(7,658,537)	(1,277,784)	(8,936,321)
	-	-	-	1,139,365	-	7,208,169	(14,866,706)	(6,519,172)	(5,426,264)	(11,945,436)
At 31 December 2024	618,881	25,040,832	(141,442)	1,466,411	218,620	26,028,919	54,567,720	107,799,941	10,813,557	118,613,498

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company									
	Share capital RMB'000	Share premium RMB'000	Investment revaluation reserve RMB'000 (Note 44(d))	Capital reserve RMB'000 (Note 44(a))	Translation reserve RMB'000 (Note 44(c))	Statutory surplus reserve RMB'000 (Note 44(b))	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023	618,881	25,040,832	(719,771)	217,699	323,311	16,304,187	42,713,714	84,498,853	11,806,924	96,305,777
Profit for the year										
Other comprehensive (expense) income for the year:	–	–	–	–	–	–	11,460,678	11,460,678	1,037,074	12,497,752
Fair value loss on investments in equity instruments at fair value through other comprehensive income	–	–	(141,210)	–	–	–	–	(141,210)	–	(141,210)
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	–	80,415	–	–	80,415	28,338	108,753
Share of other comprehensive income of associates	–	–	–	–	22,707	–	–	22,707	–	22,707
Total comprehensive (expense) income	–	–	(141,210)	–	103,122	–	11,460,678	11,422,590	1,065,412	12,488,002
Capital contribution	–	–	–	–	–	–	–	–	1,078,868	1,078,868
Acquisition of a subsidiary (note 47)	–	–	–	–	–	–	–	–	752,371	752,371
Change in ownership in interest in a subsidiary (note 48)	–	–	–	109,347	–	–	–	109,347	(109,347)	–
Transfer of reserves	–	–	–	–	–	2,516,563	(2,516,563)	–	–	–
Dividends paid (note 14)	–	–	–	–	–	–	(3,786,112)	(3,786,112)	(582,461)	(4,368,573)
	–	–	–	109,347	–	2,516,563	(6,302,675)	(3,676,765)	1,139,431	(2,537,334)
At 31 December 2023	618,881	25,040,832	(860,981)	327,046	426,433	18,820,750	47,871,717	92,244,678	14,011,767	106,256,445

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
OPERATING ACTIVITIES			
Profit before taxation		**32,797,312**	15,890,464
Adjustments for:			
Interest income		**(1,257,966)**	(1,023,491)
Finance costs		**3,363,259**	3,267,938
Share of profits of associates		**(1,758,457)**	(1,193,259)
Depreciation of property, plant and equipment		**6,274,799**	6,950,068
Depreciation of investment properties		**2,861**	2,887
Depreciation of right-of-use assets		**284,610**	226,135
Gain on disposal of property, plant and equipment		**(100,444)**	(69,939)
Loss on fair values changes of financial instruments		**2,192,462**	49,044
Amortisation of intangible assets		**5,740**	6,945
Amortisation of deferred income		**(43,856)**	(44,898)
Reversal of write-down of inventories		**–**	(8,195)
Impairment of trade receivables		**1,795**	620
Impairment (reversal of impairment) of other receivables		**9**	(3,603)
Write-down of inventories		**261,254**	126,282
Impairment loss recognised in respect of property, plant and equipment		**2,635,479**	805,162
Impairment loss recognised in respect of right-of-use assets		**–**	13,235
Gain on disposal of an associate		**–**	(21,053)
Unrealised foreign exchange loss, net		**149,698**	97,068
Operating cash flows before movements in working capital		**44,808,555**	25,071,410
(Increase) decrease in inventories		**(3,693,920)**	3,233,686
Increase in trade receivables		**(4,334,790)**	(857,579)
(Increase) decrease in bills receivables		**(1,624,812)**	595,533
Decrease in prepayments and other receivables		**930,735**	1,562,698
Increase (decrease) in trade and bills payables		**3,231,924**	(3,338,788)
Increase (decrease) in other payables and accruals		**1,032,253**	(2,178,424)
Cash generated from operations		**40,349,945**	24,088,536
Income tax paid		**(6,367,083)**	(1,686,234)
NET CASH FROM OPERATING ACTIVITIES		**33,982,862**	22,402,302

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
INVESTING ACTIVITIES			
Purchase of financial asset at amortised cost		**–**	(2,494,000)
Proceeds from disposal of financial assets at amortised cost		**–**	2,499,000
Purchase of financial assets at FVTPL		**–**	(9,225,159)
Purchase of property, plant and equipment and deposits for acquisition of property, plant and equipment		**(12,608,507)**	(6,046,330)
Placement of restricted bank deposits		**(2,260,683)**	(758,033)
Proceeds from disposal of an associate		**–**	678,990
Proceeds from disposal of property, plant and equipment		**297,866**	383,906
Addition to right-of-use assets		**(213,026)**	(1,208,879)
Interest received		**1,257,966**	791,571
Dividend income received from associates		**756,332**	–
Withdrawal of restricted bank deposits		**1,289,785**	651,512
Purchases of intangible assets		**(8,185)**	(15,561)
Capital refund of associates		**214,137**	550,250
Loan to an associate		**(1,435,044)**	(625,985)
Repayment of loan to an associate		**–**	759,668
Proceeds from disposal of financial assets at fair value through other comprehensive income		**166,485**	–
Net cash outflow on acquisition of subsidiaries	47	**–**	(3,006,976)
Proceeds of disposal of other financial asset		**–**	2,122
Capital injection to associates		**(14,498)**	(824,609)
NET CASH USED IN INVESTING ACTIVITIES		**(12,557,372)**	(17,888,513)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
FINANCING ACTIVITIES			
Proceeds from bank borrowings		**39,836,310**	38,227,341
Proceeds from other financial liability		**–**	2,962,600
Proceeds from issuance of medium-term debentures and bonds		**9,600,000**	3,220,000
Proceeds from issuance of short-term debentures and notes		**3,000,000**	7,000,000
Proceeds from issuance of guaranteed notes		**2,131,770**	–
Receipt of government grants		**95,960**	724,395
Transaction costs on issuance of medium-term debentures and bonds		**(39,000)**	(11,400)
Transaction costs on issuance of short-term debentures and notes		**(9,000)**	(9,000)
Transaction costs on issuance of guaranteed notes		**(17,055)**	–
Repayment of lease liabilities		**(61,664)**	(78,571)
Interest expense paid		**(3,859,208)**	(3,206,742)
Acquisition of additional interest in subsidiary		**(3,084,009)**	–
Repayment of bank borrowings		**(30,696,927)**	(34,901,012)
Repayment of short-term debentures and bonds		**(7,000,000)**	(3,000,000)
Repayment of medium-term debentures and bonds		**(5,500,000)**	(6,401,045)
Repayment of guaranteed notes		**(3,554,300)**	(1,436,432)
Contribution from non-controlling interests		**74,894**	1,078,868
Dividends paid		**(9,348,317)**	(4,368,578)
NET CASH USED IN FINANCING ACTIVITIES		**(8,430,546)**	(199,576)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**12,994,944**	4,314,213
Effect of changes in foreign exchange rates		**54,175**	22,367
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**31,721,122**	27,384,542
CASH AND CASH EQUIVALENTS AT 31 DECEMBER represented by bank balances and cash		**44,770,241**	31,721,122

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands as an exempted company under the Companies Law of Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its parent and immediate holding company is China Hongqiao Holdings Limited ("**Hongqiao Holdings**"), a company incorporated in the British Virgin Islands ("**BVI**"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company, and the principal activities of its subsidiaries (together with the Company, referred to as the "**Group**") are set out in note 55.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company and its subsidiaries in the People's Republic of China ("**PRC**") and Hong Kong Special Administrative Region of the PRC ("**Hong Kong**"). The functional currency of subsidiaries established in Republic of Indonesia, Republic of Singapore and the Republic of Guinea is denoted in United States Dollar ("**US$**").

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current year, the Group has applied, for the first time, the following amendments to IFRSs issued by the International Accounting Standards Board (the "**IASB**") which are effective for the Group's financial year beginning on 1 January 2024:

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

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the IASB which is relevant to the Group.

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

Impact on application of Amendments to IAS 1 – Classification of Liabilities as Current or Non-current; and Amendments to IAS 1 – Non-current Liabilities with Covenants

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current issued in 2020 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.

Amendments to IAS 1 – Non-current Liabilities with Covenants issued in 2022 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 adoption of the amendments has no impact on the Group's classification of liabilities as at 1 January 2023, 31 December 2023 and 31 December 2024.

New and amendments to IFRSs issued but not yet effective

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

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

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

The directors of the Company anticipate that, except as described below, the application of other new and amendments to IFRSs will have no material impact on the results and the financial position of the Group.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

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

IFRS 18 – Presentation and Disclosure in Financial Statements

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

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

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Company's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to IAS 21 Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable into another currency and, when it is not, how to determine the exchange rate to use and the disclosures to provide.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

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

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments include requirements on classification of financial assets with environmental, social or governance (ESG) targets and similar features; settlement of financial liabilities through electronic payment systems; and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of Amendments to IFRS 10 and IAS 28 has not yet been determined. However, earlier application is permitted. The amendments should be applied prospectively.

The directors of the Company anticipate that the application of Amendments to IFRS 10 and IAS 28 will not have a material impact on the Group's consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity

To allow companies to better report the financial effects of nature-dependent electricity contracts, the IASB published the Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity, which clarifying the application of the 'own-use' requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements;
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in capital reserve and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. The amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets and liabilities (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations or asset acquisitions

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Assets acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisition of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs incurred to effect a business combination are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and HKAS 19 *Employee Benefits*, respectively;

- liabilities or equity instruments related to share-based payment arrangement of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests, unless as required by another standards, are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are recognised in other comprehensive income and measured under IFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU (or groups of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or groups of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of CGUs). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method. Under the equity method, interests in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and changes in the other comprehensive income of the associates are recognised in profit or loss and other comprehensive income respectively after the date of acquisition. If the Group's share of losses of an associate equals or exceeds its interest in the associate, which includes any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

An interest in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate is recognised as goodwill and is included in the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's interest in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Interests in associates (Continued)

When the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate are recognised in consolidated financial statements only to the extent of unrelated investors' interests in the associate that are unrelated to the Group. The Group's share in the associate's gains or losses resulting from these transactions is eliminated.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. In applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such classification requires the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the asset is created and enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The Group recognised revenue from the following major sources:

- sales of aluminum products
- steam supply income

Sales of goods

Revenue from sales of aluminum products is recognised at a point in time when the control of the goods is transferred to the customers. Control of the goods is considered transferred to customers at the time of delivery.

Revenue from sales of steam are recognised at a point in time and based on steam consumption derived from meter readings.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing (Continued)

The Group as lessee (Continued)

Lease liabilities (Continued)

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

The Group as lessor

The Group enters into lease agreements as a lessor with respect of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing remains outstanding after the related asset is ready for its intended use or sale is included in the general pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Retirement benefits costs

Payments to defined contribution plans, state-managed retirement benefit schemes and Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

Property, plant and equipment other than construction in progress are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including cost of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investment properties (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Internally-generated intangible assets – research and development expenditure

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets (Continued)

Internally-generated intangible assets – research and development expenditure (Continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Intangible asset acquired in a business combination

Intangible asset acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in business combination with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value of inventories represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding the expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "other income and gains" line item (note 7).

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Equity instruments designated as at FVTOCI (Continued)

Dividends from investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'other income and gains' line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income and gains" line item. Fair value is determined in the manner described in note 46.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative.

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) the debt instrument has a low risk of default, (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, e.g. when the counterparty has been placed under liquidation. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

Measurement and recognition of ECL (Continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the “changes in fair values of financial instruments” line item in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Convertible bonds

Convertible bonds issued by the Group that contain both liability and derivatives (which are not closely related to the host liability component) are classified separately into respective items on initial recognition. Conversion option and redemption option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments are classified as derivatives components. At the date of issue, both the liability and derivatives components are recognised at fair value.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above) (Continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value-in-use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

Fair value measurement

When measuring fair value except for net realisable value of inventories and value in use of assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Ownership of the land and buildings

As disclosed in notes 16 and 17, there are properties and land use rights located in the PRC of which the Group is in the process of obtaining the ownership certificate. Despite the fact that the Group has not obtained the relevant legal title, the directors of Company determine to recognise these lands and buildings on the ground that there is no legal barrier or otherwise for the Group to obtain such title ownership certificates and the Group is in substance controlling these lands and buildings. In the opinion of the directors of Company, the absence of formal title to these lands and buildings does not impair the value of the relevant assets to the Group.

Controls in subsidiaries

As per note 55 to the consolidated financial statements, Shandong Hongchuang Aluminum Industry Holding Company Limited ("Hongchuang") is a subsidiary of the Group even though the Group has only 22.65% (2023: 21.72%) ownership interest in Hongchuang. Hongchuang is a public limited company incorporated in the PRC and its shares are listed on the Shenzhen Stock Exchange. The remaining 77.35% (2023: 78.28%) of the ownership interests were held by numerous shareholders that were unrelated to the Group.

The directors of the Company assessed the Group's control over Hongchuang on the basis of its practical ability to direct the relevant activities unilaterally. In making their judgement, the directors of the Company consider that the Group holds significantly more voting rights than any other voting right holders or organised group of voting right holders, and the other shareholdings are widely dispersed, so the Group has the control over Hongchuang.

Withholding tax provision on profit appropriation

The Group provides for withholding taxes on certain of its PRC subsidiaries' distributable profits generated in compliance with the PRC Corporate Tax Law. The Group has provided for such withholding taxes on the basis that the Group is expected to appropriate in the foreseeable future the profits which the PRC subsidiaries generate. As at 31 December 2024, the amount provided for withholding tax was approximately RMB447,511,000 (2023: RMB270,488,000). Further details are given in note 41 to the consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2024 were approximately RMB575,104,000 (2023: RMB730,724,000). The amount of unrecognised tax losses at 31 December 2024 was approximately RMB2,099,230,000 (2023: RMB2,232,501,000). Further details are contained in note 41.

Estimated impairment of property, plant and equipment

At the end of the reporting period, the directors of the Company review the carrying amount of its property, plant and equipment of approximately RMB75,393,127,000 (2023: RMB70,200,235,000), net of accumulated impairment of property, plant and equipment of approximately RMB7,128,337,000 (2023: RMB4,492,858,000) and identify if there is indication that those assets may suffer an impairment loss. Accordingly, the recoverable amount of the property, plant and equipment is estimated in order to determine the extent of the impairment loss. The recoverable amounts of the relevant property, plant and equipment have been determined on the basis of their fair values less costs of disposal or value-in-use. The estimates of the recoverable amounts of the property, plant and equipment require the use of assumptions such as cash flow projections, depreciation rate, discount rates and market prices of scrap metal price. The selection of valuation models, adoption of key assumptions and input data and changes in these assumptions and input to valuation models may result in significant financial impact.

Based on the directors' assessment of recoverable amount of the relevant assets and with reference to fair values less costs of disposal of certain property, plant and equipment assessed by independent valuer, impairment loss on property, plant and equipment of approximately RMB2,635,479,000 (2023: RMB805,162,000) was recognised for the year ended 31 December 2024.

Estimated useful life of property, plant and equipment

At the end of each reporting period, the directors of the Company review the estimated useful life of property, plant and equipment. The estimated useful life reflects the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life. The carrying amounts of property, plant and equipment as at 31 December 2024 are RMB75,393,127,000 (2023: RMB70,200,235,000).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of trade receivables

The Group uses a provision matrix to calculate the ECL for trade receivables. The provision rates are based on internal credit ratings and days past due as groupings of various debtors that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical experience with forward-looking information. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking information are considered. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2024, the carrying amount of trade receivables was approximately RMB9,773,923,000 (2023: RMB5,488,751,000), net of allowance for impairment loss of approximately RMB9,134,000 (2023: RMB7,339,000).

Impairment assessment of interests in associates

The carrying amount of the interests in associates is tested for impairment as a single asset. Determining whether interest in an associate is impaired requires an identification of impairment indicators and an estimation of the recoverable amount of the interest in an associate. The Group identifies impairment indicators by considering the market and economic environment in which the associate operates and the financial performance of the associate. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the associate and apply a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2024, the carrying amount of interests in associates, excluding the loans to associates, was RMB7,318,713,000 (2023: RMB6,565,758,000). No impairment loss has been recognised in profit or loss during the years ended 31 December 2024 and 2023.

Impairment assessment of loans to associates

The impairment assessment of loans to associates is based on (i) assumptions about ECL and (ii) the net realisable value of the underlying collateral received. The Group uses judgement in making assumptions and selecting the inputs to the ECL calculation including the associates historical credit loss experience and forward-looking information at the end of the reporting period. Changes in assumption and selection of data inputs would result in significant change in carrying amount of the loans to associates. As at 31 December 2024, the carrying amount of loans to associates amounted to RMB7,903,718,000 (2023: RMB6,468,674,000), of which RMB5,903,718,000 (2023: RMB4,468,674,000) is included in interests in associates. No impairment loss has been recognised in profit or loss during the years ended 31 December 2024 and 2023.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimated allowance on inventories

The Group's management assesses periodically whether net realisable values of inventories have been higher than their costs. For different types of inventories, it requires the exercise of accounting estimates on subsequent sales, costs of conversion and selling expenses to calculate its net realisable value. It is reasonably possible that outcomes would be significantly affected if there is a significant change in circumstances, including the Group's business and the external environment. As at 31 December 2024, the carrying amount of inventories was approximately RMB37,344,003,000 (2023: RMB33,958,455,000), after netting off of accumulated allowance of inventories of approximately RMB187,250,000 (2023: RMB96,099,000).

Fair value of derivative component of convertible bonds

The management of the Group uses their judgments in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivatives financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instruments. If the inputs and estimates applied in the model are different, the carrying amount of these derivatives may change. The fair value of derivative component of convertible bonds of approximately RMB2,109,265,000 (2023: RMB521,919,000) as at 31 December 2024 are set out in note 40.

Fair value of financial assets measured at FVTPL and FVTOCI

The management of the Group use their judgements in selecting appropriate valuation techniques for financial instruments not quoted in an active market. The estimation of fair value of unlisted equity instruments includes some assumptions not supported by observable market prices or rates. As at 31 December 2024, the carrying amount of the unlisted equity instruments classified as FVTOCI was approximately RMB84,360,000 (2023: RMB94,412,000). As at 31 December 2024, the carrying amount of the limited partnerships classified as financial assets at FVTPL was approximately RMB11,088,589,000 (2023: RMB11,725,159,000). The directors of the Company believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of financial instruments.

5. REVENUE

An analysis of the Group's revenue were recognised at a point in time as follows:

	2024 RMB'000	2023 RMB'000
Revenue from sales of aluminum products		
– molten aluminum alloy	**95,169,828**	83,750,044
– aluminum alloy ingots	**7,263,939**	10,890,825
– aluminum fabrication	**15,571,014**	11,500,388
– alumina	**37,351,737**	26,557,457
Steam supply income	**812,202**	924,918
	156,168,720	133,623,632

Set out below was the disaggregation of the Group's revenue from contracts with customers:

	2024 RMB'000	2023 RMB'000
Geographical region		
The PRC	**142,787,017**	126,397,054
India	**4,623,728**	2,412,216
Europe	**4,324,118**	2,255,909
Malaysia	**386,711**	421,062
Other Southeast Asia region	**2,482,369**	1,295,061
North America	**1,094,521**	596,995
Others	**470,256**	245,335
Total	**156,168,720**	133,623,632
Type of customers		
Government related	**377**	289
Non-government related	**156,168,343**	133,623,343
Total	**156,168,720**	133,623,632
Sales channels		
Direct sales	**156,168,720**	133,623,632

Transaction price allocated to the remaining performance obligation for contracts with customers

Sales of goods were made in a short period of time and the performance obligation was mostly satisfied in one year or less at the end of each year, thus the Group applied the expedient of not to disclose the transaction price allocated to unsatisfied performance obligation.

6. SEGMENT INFORMATION

For management purposes, the Group operates only one reportable segment which is manufacture and sales of aluminum products. The Group conducts its principal operation in the PRC (including Hong Kong) and Indonesia. Management monitors the operating results of its business unit as a whole for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

The Group operates principally in the PRC (including Hong Kong) and Indonesia. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current assets	
	2024	2023
	RMB'000	RMB'000
PRC	**93,631,293**	85,721,885
Indonesia	**6,360,265**	6,592,677
	99,991,558	92,314,562

Note: Non-current assets excluded financial instruments and deferred tax assets.

Information about major customers

Revenue from a customer of the corresponding year contributing over 10% of the total revenue of the Group is as follows:

	2024	2023
	RMB'000	RMB'000
Customer A	**49,439,232**	45,121,545

7. OTHER INCOME AND GAINS

	2024 **RMB'000**	2023 RMB'000
Bank interest income	**352,615**	307,644
Other interest income	**225,560**	216,382
Investment income	**154,652**	153,673
Interest income from loans to associates	**525,139**	345,792
Gain from sales of raw materials and scraps materials	**750,325**	1,071,479
Gain from sales of slag of carbon anode blocks	**694,657**	1,361,216
Reversal of write-down of inventories	**–**	8,195
Reversal of impairment of other receivables	**–**	3,603
Amortisation of deferred income	**43,856**	44,898
Rental income for investment properties under operating lease that lease payments are fixed	**600**	600
Gain on disposal of an associate	**–**	21,053
Gain on disposal of property, plant and equipment	**100,444**	69,939
Others	**136,546**	108,564
	2,984,394	3,713,038

8. OTHER EXPENSES

	2024 **RMB'000**	2023 RMB'000
Impairment loss recognised in respect of property, plant and equipment	**2,635,479**	805,162
Impairment loss recognised in respect of right-of-use assets	**–**	13,235
Impairment loss recognised in respect of other receivables	**9**	–
Impairment loss recognised in respect of trade receivables	**1,795**	620
Write-down of inventories	**261,254**	126,282
	2,898,537	945,299

9. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest expenses on bank borrowings	**2,494,067**	2,484,126
Interest expenses on short-term debentures and notes	**229,161**	222,182
Interest expenses on medium-term debentures and bonds	**690,458**	679,762
Interest expenses on guaranteed notes	**294,010**	229,095
Interest expenses on convertible bonds (note 40)	**194,812**	182,338
Interest expenses on other financial liability (note 36)	**177,756**	2,595
Interest expenses on lease liabilities (note 17(iii))	**44,700**	30,955
Total interest expense for financial liabilities not measured at FVTPL	**4,124,964**	3,831,053
Less: amounts capitalised in the cost of qualifying assets	**(761,705)**	(563,115)
	3,363,259	3,267,938

10. INCOME TAX EXPENSES

	2024 RMB'000	2023 RMB'000
Current tax:		
– PRC Enterprise Income Tax	**7,239,156**	3,715,079
– Indonesia Corporate Income Tax	**337,845**	202,718
– Withholding tax	**181,758**	19,832
	7,758,759	3,937,629
Deferred taxation	**492,860**	(544,917)
Total income tax expenses for the year	**8,251,619**	3,392,712

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. During the years ended 31 December 2024 and 2023, certain PRC subsidiaries was recognised by the PRC government as "High and New Technology Enterprise" or enjoyed the tax concession policies of the western development respectively and was eligible to a preferential tax rate of 15% (2023: 15%).

Under the Law on the Harmonization of Tax Regulations of 2021, the Group's subsidiary in Indonesia is subject to corporate income tax at 22% for both years.

No provision for Hong Kong Profits Tax was made for the years ended 31 December 2024 and 2023 as there were no assessable profits generated during the year.

The subsidiaries incorporated in BVI, Singapore and Guinea had no assessable profits since their incorporation.

10. INCOME TAX EXPENSES (Continued)

Pillar Two Income Taxes

The Group is subject to the global minimum top-up tax under the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the prevailing EIT Law and its relevant regulations, any dividends paid by the Company's PRC subsidiaries from their earnings derived after 1 January 2008 to the Company's Hong Kong subsidiaries are subject to PRC dividend withholding tax rate of 5% or 10%, depending on the applicability of the Sino-Hong Kong tax treaty. Deferred taxation has not been provided for in the consolidated financial statements in respect of undistributed profits of relevant PRC subsidiaries in 2008, 2009 and 2010 as the management confirmed that profits generated by the relevant PRC subsidiaries will not be distributed in the foreseeable future.

Indonesia withholding income tax of 10% was levied on the Indonesia subsidiary when dividend was paid out from its profits to shareholders. No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 **RMB'000**	2023 RMB'000
Profit before taxation	**32,797,312**	15,890,464
Tax at the domestic income tax rate of 25% (note i)	**8,199,328**	3,972,616
Tax effect of income not taxable for tax purpose	**(40,979)**	(39,222)
Tax effect of expenses not deductible for tax purpose	**692,032**	208,595
Tax effect of tax losses not recognised	**126,829**	180,329
Utilisation of tax losses previously not recognised	**(165,283)**	(108,905)
Effect of different tax rates of subsidiaries operating in other jurisdiction	**(18,193)**	(13,543)
Effect of income tax on concessionary rate	**(165,866)**	(189,475)
Withholding tax	**181,758**	19,832
Tax effect of share of profits of associates	**(446,364)**	(298,315)
Tax effect of withholding tax on undistributed profits of PRC subsidiaries (note 41)	**177,023**	(87,609)
Tax effect of super deduction from research and development expenses (note ii)	**(288,666)**	(251,591)
Income tax expenses for the year	**8,251,619**	3,392,712

Note i: The domestic tax rate (which is the PRC EIT) in the jurisdiction where the operation of the Group is substantially based was used.

Note ii: An additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC income tax laws and its relevant regulations.

Details of the deferred taxation are set out in note 41.

11. PROFIT FOR THE YEAR

	2024 RMB'000	2023 RMB'000
Profit for the year has been arrived at after charging:		
Directors' and chief executive's emoluments (note 12)	**9,088**	8,097
Salaries and allowances (excluding directors' and chief executive's emoluments)	**5,141,577**	4,623,370
Retirement benefit scheme contributions (excluding directors' and chief executive's emoluments)	**407,159**	403,625
Total staff costs	**5,557,824**	5,035,092
Auditor's remuneration	**4,200**	4,200
Amortisation of intangible assets	**5,740**	6,945
Cost of inventories recognised as an expense	**114,128,313**	112,669,035
Depreciation of property, plant and equipment	**6,274,799**	6,950,068
Depreciation of investment properties	**2,861**	2,887
Depreciation of right-of-use assets	**284,610**	226,135
Foreign exchange loss, net	**222,689**	223,678
Research and development expenses (note)	**1,154,665**	1,006,363
Gross rental income from investment properties	**600**	600
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**–**	–
	600	600

Note: Included in research and development expenses was staff cost of approximately RMB147,963,000 (2023: RMB282,756,000).

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the 13 (2023: 14) directors and the chief executive were as follows:

	Executive directors				Non-executive directors					Independent non-executive directors				
	Zheng Shuliang RMB'000	Zhang Bo RMB'000	Zhang Ruilian RMB'000	Wong Yuting RMB'000	Yang Congsen RMB'000	Zhang Jinglei RMB'000	Tian Mingming[1] (Zhang Hao as his alternative) RMB'000	Tu Yikai[2] (Zhang Hao as his alternative) RMB'000	Sun Dongdong RMB'000	Han Benwen RMB'000	Fu Yulin[3] RMB'000	Dong Xinyi RMB'000	Wen Xianjun RMB'000	Total RMB'000
FOR THE YEAR ENDED 31 DECEMBER 2024														
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings														
Fees	500	800	500	500	600	300	-	-	300	150	200	200	200	4,250
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings														
Other emoluments														
– Salaries, bonus and allowances	302	520	315	2,930	402	-	-	-	275	-	-	-	-	4,744
– Retirement benefit scheme contributions	-	24	15	16	24	-	-	-	15	-	-	-	-	94
	802	1,344	830	3,446	1,026	300	-	-	590	150	200	200	200	9,088

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

	Executive directors				Non-executive directors					Independent non-executive directors					
	Zheng Shuliang RMB'000	Zhang Bo RMB'000	Zhang Ruilian RMB'000	Wong Yuting RMB'000	Yang Congsen RMB'000	Zhang Jinglei RMB'000	Tu Yikai[2] (Zhang Hao as his alternative) RMB'000	Liu Xiaojun[4] (Zhang Hao as his alternative) RMB'000	Sun Dongdong RMB'000	Xing Jian[5] RMB'000	Han Benwen RMB'000	Fu Yulin[3] RMB'000	Dong Xinyi RMB'000	Wen Xianjun RMB'000	Total RMB'000
FOR THE YEAR ENDED 31 DECEMBER 2023															
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings															
Fees	500	800	500	500	600	–	–	300	300	55	150	126	200	200	4,231
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings															
Other emoluments															
– Salaries, bonus and allowances	78	187	117	3,094	158	–	–	–	130	–	–	–	–	–	3,764
– Retirement benefit scheme contributions	–	20	15	32	20	–	–	–	15	–	–	–	–	–	102
	578	1,007	632	3,626	778	–	–	300	445	55	150	126	200	200	8,097

1. Appointed on 11 July 2024.
2. Appointed on 28 December 2023 and resigned on 11 July 2024.
3. Appointed on 16 May 2023.
4. Resigned on 28 December 2023.
5. Retired on 16 May 2023.

During the years ended 31 December 2024, none of the chief executive nor directors waived any emoluments (2023: except for one non-executive director waived emoluments of RMB300,000, none of the chief executive nor other directors waived any emoluments).

There were no emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

The performance related bonus is determined by the Group having regard to the director's performance and the prevailing market conditions.

Zhang Bo is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

No emoluments were paid by the Group to any director as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 December 2024 and 2023.

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2023: one) was director of the Company whose emoluments are included in the disclosures in note 12 above. The emoluments of the remaining four (2023: four) individuals were as follows:

	2024 **RMB'000**	2023 RMB'000
Salaries and other benefits	**13,095**	10,401
Retirement benefits scheme contributions	**241**	222
	13,336	10,623

Their emoluments were within the following bands:

	No. of employee	
	2024	2023
HK$2,000,001 to HK$2,500,000 (approximately RMB1,852,001 to RMB2,315,000)	**–**	2
HK$2,500,001 to HK$3,000,000 (approximately RMB2,315,001 to RMB2,778,000)	**1**	–
HK$3,000,001 to HK$3,500,000 (approximately RMB2,778,001 to RMB3,241,000)	**–**	1
HK$3,500,001 to HK$4,000,000 (approximately RMB3,241,001 to RMB3,704,000)	**1**	1
HK$4,000,001 to HK$4,500,000 (approximately RMB3,704,001 to RMB4,167,000)	**2**	–
	4	4

14. DIVIDENDS

	2024 RMB'000	2023 RMB'000
Dividends recognised as distribution during the year:		
2024 Interim dividend – HK59 cents (2023: 2023 Interim dividend – HK12 cents) per share	**5,161,444**	1,028,382
2023 Interim special dividend – HK22 cents (2024: nil) per share	**–**	1,885,366
2023 Final dividend – HK29 cents (2023: 2022 Final dividend – HK10 cents) per share	**2,497,093**	872,364
	7,658,537	3,786,112

Subsequent to the end of the reporting period, a final dividend of HK102 cents per share in respect of the year ended 31 December 2024, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2024 RMB'000	2023 RMB'000
Earnings		
Earnings for the purpose of basic earnings per share	**22,372,331**	11,460,678
Effect of dilutive potential ordinary shares:		
Interest expense on liability component of convertible bonds	**–**	182,338
Changes in fair values of derivative component of convertible bonds	**–**	49,044
Exchange loss on translation of convertible bonds	**–**	21,380
Earnings for the purpose of diluted earnings per share	**22,372,331**	11,713,440

	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**9,475,538**	9,475,538
Effect of dilutive potential ordinary shares:		
Convertible bonds	**–**	325,169
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**9,475,538**	9,800,707

The computation of diluted earnings per share for the year ended 31 December 2024 did not assume the conversion of the Company outstanding convertible bonds since their exercise would result in an increase in earnings per share.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Aircraft RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 January 2023	47,799,684	65,818,024	125,394	114,210	356,631	7,170,066	121,384,009
Additions	18,941	115,967	6,023	39,731	–	5,789,967	5,970,629
Transfer	2,206,567	2,842,196	–	–	–	(5,048,763)	–
Acquired on acquisition from a subsidiary (note 47)	1,542,395	1,452,308	858	1,215	–	1,108,105	4,104,881
Disposals	(299,769)	(2,349,975)	(2,698)	(18,420)	–	–	(2,670,862)
Exchange realignment	126,237	53,372	559	237	877	–	181,282
At 31 December 2023 and 1 January 2024	51,394,055	67,931,892	130,136	136,973	357,508	9,019,375	128,969,939
Additions	–	586,284	14,156	24,793	–	13,907,912	14,533,145
Transfer	2,830,975	2,317,893	–	–	–	(5,148,868)	–
Transfer to non-current assets classified as held for sales (note 32)	–	(2,914,377)	(1,712)	–	–	–	(2,916,089)
Disposals	(88,137)	(507,173)	(758)	(8,651)	–	–	(604,719)
Exchange realignment	132,569	50,255	245	680	745	–	184,494
At 31 December 2024	54,269,462	67,464,774	142,067	153,795	358,253	17,778,419	140,166,770
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 January 2023	15,653,280	37,060,433	97,777	56,621	29,333	426,266	53,323,710
Provided for the year	2,102,325	4,774,221	12,587	35,625	25,310	–	6,950,068
Impairment loss recognised in profit or loss	302,537	285,273	–	–	–	217,352	805,162
Eliminated on disposals	(32,790)	(2,319,887)	–	(4,218)	–	–	(2,356,895)
Exchange realignment	30,925	16,016	434	196	88	–	47,659
At 31 December 2023 and 1 January 2024	18,056,277	39,816,056	110,798	88,224	54,731	643,618	58,769,704
Provided for the year	1,770,891	4,429,925	10,647	38,024	25,312	–	6,274,799
Impairment loss recognised in profit or loss	1,332,070	1,234,061	–	–	–	69,348	2,635,479
Transfer to non-current assets classified as held for sales (note 32)	–	(2,560,579)	(1,528)	–	–	–	(2,562,107)
Eliminated on disposals	(45,228)	(353,341)	(684)	(8,044)	–	–	(407,297)
Exchange realignment	40,565	21,512	589	245	154	–	63,065
At 31 December 2024	21,154,575	42,587,634	119,822	118,449	80,197	712,966	64,773,643
CARRYING VALUES							
At 31 December 2024	33,114,887	24,877,140	22,245	35,346	278,056	17,065,453	75,393,127
At 31 December 2023	33,337,778	28,115,836	19,338	48,749	302,777	8,375,757	70,200,235

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Buildings	20-30 years
Plant and machinery	5-20 years
Furniture and fixtures	5-14 years
Motor vehicles	10 years
Aircraft	15 years

The buildings are situated in the PRC and held under medium lease term.

At 31 December 2024, certain of the Group's buildings with a net carrying amount of approximately RMB9,487,773,000 (2023: RMB10,523,030,000) were pledged to secure bank borrowings of the Group (note 49).

There are properties with a carrying amount of approximately RMB5,215,238,000 (2023: RMB5,900,290,000) located in the PRC of which the Group is in the process of obtaining the ownership certificates. In the opinion of the directors of the Company, there is no legal barrier or otherwise for the Group to obtain the relevant title ownership certificates for these buildings from the relevant PRC authority.

When any indicators of impairment or reversal of impairment are identified, property, plant and equipment are reviewed for impairment or reversal of impairment based on each CGU. The CGU is an individual plant. The carrying values of these individual plants were compared to the recoverable amounts of the CGUs, which were based on fair values less costs of disposal or value-in-use. Market comparison approach is used to measure the fair value less costs of disposal of the CGU which is based on the recent transaction prices for similar property, plant and equipment adjusted for nature, location and conditions of the relevant assets. Value-in-use calculations use pre-tax cash flow projections based on financial budgets approved by management covering expected earning period.

During the year ended 31 December 2024, the directors of the Company conducted a review and determine that certain power plants and construction in progress (2023: certain power plants, construction in progress and right-of-use assets) were impaired. The recoverable amounts of relevant property, plant and equipment and right of use assets were approximately RMB974,581,000 (2023: RMB3,353,960,000) and have been determined based on the higher of their value in use and fair value less costs of disposal and the impairment of approximately RMB2,635,479,000 (2023: RMB818,397,000) had been recognised in profit or loss.

No reversal of impairment of property, plant and equipment was recognised during the years ended 31 December 2024 and 2023.

The valuations carried out on 31 December 2024 and 2023 were performed by Wanlong (Shanghai) Assets Assessment Co, Ltd ("Wanlong"), an independent qualified professional valuer not connected with the Group. Wanlong has appropriate qualifications and has recent experience in the valuation of similar property, plant and equipment in the relevant industries.

The fair value measurement of the property, plant and equipment is categorised within level 3 of the fair value hierarchy. There were no transfers between levels of fair value hierarchy during the year.

17. LEASES

(i) Right-of-use assets

	Land use rights RMB'000	Properties RMB'000	Vessels, crew boats and crane barge RMB'000	Total RMB'000
COST				
As at 1 January 2023	8,318,070	105,166	42,593	8,465,829
Additions	2,157,807	16,023	–	2,173,830
Acquired on acquisition of subsidiaries (note 47)	67,475	–	–	67,475
Exchange realignment	568	15	329	912
At 31 December 2023 and 1 January 2024	10,543,920	121,204	42,922	10,708,046
Additions	275,612	2,119	–	277,731
Exchange realignment	(326)	(12)	(88)	(426)
At 31 December 2024	10,819,206	123,311	42,834	10,985,351
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
As at 1 January 2023	709,910	55,583	27,658	793,151
Depreciation for the year	205,099	13,486	7,550	226,135
Impairment loss recognised in profit or loss	13,235	–	–	13,235
Exchange realignment	–	3	82	85
At 31 December 2023 and 1 January 2024	928,244	69,072	35,290	1,032,606
Depreciation for the year	267,563	9,518	7,529	284,610
Exchange realignment	–	3	15	18
At 31 December 2024	1,195,807	78,593	42,834	1,317,234
CARRYING VALUES				
At 31 December 2024	9,623,399	44,718	–	9,668,117
At 31 December 2023	9,615,676	52,132	7,632	9,675,440

As at 31 December 2024, right-of-use assets of RMB9,623,399,000 (2023: RMB9,615,676,000) represents land use rights located in the PRC and Indonesia for a period of 20 to 70 years.

As at 31 December 2024, the Group is still in a process of obtaining the land certificate with the carrying amount of approximately RMB267,668,000 (2023: RMB572,399,000). In the opinion of the directors of the Company, based on the advice from the Group's external legal adviser, the absence of the land certificate does not impair its carrying value to the Group.

The Group has lease arrangements for office premises, factories, vessels, crew boats and crane barges. The lease terms are generally ranged from 2 to 20 years (2023: ranged from 2 to 20 years).

17. LEASES (Continued)

(i) Right-of-use assets (Continued)

During the year ended 31 December 2024, the Group entered into a number of new lease agreements for offices premises and land use rights and recognised right-of-use assets of approximately RMB277,731,000 (2023: RMB2,173,830,000).

At 31 December 2024, certain of the Group's right-of-use assets with a net carrying amount of approximately RMB916,378,000 (2023: RMB544,629,000) were pledged to secure bank borrowings of the Group (note 49).

(ii) Lease liabilities

	2024 RMB'000	2023 RMB'000
Non-current	**932,053**	916,706
Current	**25,429**	37,952
	957,482	954,658

Amounts payable under lease liabilities

	2024 RMB'000	2023 RMB'000
Within one year	**25,429**	37,952
After one year but within two years	**27,892**	26,927
After two years but within five years	**80,465**	79,712
After five years	**823,696**	810,067
	957,482	954,658
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(25,429)**	(37,952)
Amount due for settlement after 12 months	**932,053**	916,706

During the year ended 31 December 2024, the Group entered into new lease agreements in respect of offices premises and land use right and recognised lease liabilities of approximately RMB64,705,000 (2023: RMB964,951,000).

(iii) Amounts recongised in profit or loss

	Year ended	
	31 December 2024 RMB'000	31 December 2023 RMB'000
Interest expense on lease liabilities	**44,700**	30,955

17. LEASES (Continued)

(iv) Others

During the year ended 31 December 2024, the total cash outflow for leases amounted to approximately RMB106,364,000 (2023: RMB109,526,000).

Restrictions or covenants on leases

As at 31 December 2024, lease liabilities of RMB957,482,000 are recognised with related right-of-use assets of RMB992,183,000, (2023: lease liabilities of RMB954,658,000 and related right-of-use assets of RMB989,462,000). The lease agreements do not impose any covenants and restriction.

18. INTANGIBLE ASSETS

	Patents RMB'000
COST	
At 1 January 2023	**58,348**
Additions	**15,561**
At 31 December 2023 and 1 January 2024	**73,909**
Additions	**8,185**
At 31 December 2024	**82,094**
ACCUMULATED AMORTISATION	
At 1 January 2023	**24,057**
Provided for the year	**6,945**
At 31 December 2023 and 1 January 2024	**31,002**
Provided for the year	**5,740**
At 31 December 2024	**36,742**
CARRYING VALUES	
At 31 December 2024	**45,352**
At 31 December 2023	**42,907**

Above patents were acquired from third parties or purchased as part of a business combination in prior years and in current year.

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over range from 10 to 20 years.

19. INVESTMENT PROPERTIES

	RMB'000
COST	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**44,493**
ACCUMULATED DEPRECIATION	
At 1 January 2023	**3,447**
Provided for the year	**2,887**
At 31 December 2023 and 1 January 2024	**6,334**
Provided for the year	**2,861**
At 31 December 2024	**9,195**
CARRYING VALUES	
At 31 December 2024	**35,298**
At 31 December 2023	**38,159**

The fair value of the Group's investment properties as at 31 December 2024 was approximately RMB42,380,000 (2023: RMB43,060,000). The fair value has been arrived at with reference to a valuation carried out by ZhongJing Minxin (Beijing) Assets Appraisal Co., Ltd. and Wanlong, an independent qualified professional valuer, not connected to the Group. There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The above investment properties are depreciated on a straight-line basis over the terms of the lease of 20 years.

The fair value hierarchy as at 31 December 2024 and 2023 of the investment properties of the Group were at Level 3. There were no transfers between levels of fair value hierarchy during the year.

19. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of the investment properties as at 31 December 2024 were determined (in particular, the valuation techniques and inputs used):

	Fair value hierarchy	Fair value as at 31 December 2024 RMB	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
Investment property A	Level 3	RMB6,424,000 (2023: RMB6,780,000)	Income approach – by reference to capitalised income derived from committed tenancies	Prevailing market rents	The higher the prevailing market rent, the lower the fair value
Investment property B	Level 3	RMB35,956,000 (2023: RMB36,280,000)	Income approach – by reference to capitalised income derived from committed tenancies	Prevailing market rents	The higher the prevailing market rent, the lower the fair value

20. INTERESTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Costs of investments in associates	**5,829,094**	6,028,733
Share of profits and other comprehensive income, net of dividends received	**1,489,619**	537,025
	7,318,713	6,565,758
Loans to associates	**5,903,718**	4,468,674
	13,222,431	11,034,432

As at 31 December 2024, the loan to an associate of USD380,920,000, equivalent to approximately RMB2,738,263,000 (2023: RMB2,697,999,000), is unsecured, carried interest at Secured Overnight Financing Rate ("SOFR") + 3% per annum and no fixed term for repayment.

The remaining loans to associates of US$424,818,000, equivalent to approximately RMB3,165,455,000 (2023: US$250,000,000, equivalent to approximately RMB1,770,675,000) is unsecured, interest bearing at SOFR + 5% per annum and no fixed term for repayment.

During the year ended 31 December 2023, the Group established Weiqiao Guoke Zhixing (Shandong) Equipment Technology Co., Ltd. ("Weiqiao Guoke") * 魏橋國科智行(山東)裝備科技有限公司 and contributed an amount of approximately RMB672,000,000 which represents an equity interest of 33.3%. The Group subsequently disposed the associate for a consideration of RMB678,990,000 to a limited partnership which the Group invested due to change of investment strategy and resulting a gain on disposal of RMB21,053,000.

20. INTERESTS IN ASSOCIATES (Continued)

During the year ended 31 December 2024, the Group made contributions to various associates with an aggregate amount of approximately RMB14,498,000 (2023: RMB152,609,000).

As at 31 December 2024 and 2023, the Group had interests in the following material associates:

Name of entity	Form of entity	Country of incorporation/ registration	Principal place of operation	Class of shares held	Proportion of ownership interest or participating shares held by the Group		Proportion of voting power held		Principal activities
					2024	2023	**2024**	2023	
Société à Responsabilité Limitée Unipersonnelle ("SMB")	Incorporated	Guinea	Guinea	Ordinary	**22.5%**	22.5%	**22.5%**	22.5%	Mineral exploration
Winning Alliance Ports SA ("WAP")	Incorporated	Guinea	Guinea	Ordinary	**22.5%**	22.5%	**22.5%**	22.5%	Port operation
Africa Bauxite Mining Company Ltd. ("ABM")	Incorporated	BVI	Singapore	Ordinary	**25%**	25%	**25%**	25%	Trading of bauxite
GTS Global Trading Pte. Ltd. ("GTS")	Incorporated	Singapore	Singapore	Ordinary	**25%**	25%	**25%**	25%	Trading of bauxite
Shandong Suotong Innovation Carbon New Material Co., Ltd. ("Innovation Carbon New Material") * 山東索通創新炭材料有限公司 (formerly known as Shandong Innovation Carbon New Material Co., Ltd.)	Incorporated	PRC	PRC	Ordinary	**15.21%**	20%	**15.21%**	20%	Trading of carbon
Zouping Binneng Energy Technology Co., Ltd. ("Binneng Energy") 鄒平濱能能源科技有限公司	Incorporated	PRC	PRC	Ordinary	**37.5%**	37.5%	**37.5%**	37.5%	Trading of electricity
Lightweight (Shandong) Investment Partnership (Limited Partnership) * ("Lightweight Partnership") 輕量化(山東)投資合夥企業(有限合夥)	Incorporated	PRC	PRC	Ordinary	**49.5%**	49.5%	**49.5%**	49.5%	Investment holding

* The English translation is for reference only.

20. INTERESTS IN ASSOCIATES (Continued)

The summarised financial information in respect of the associates that are material to the Group and accounted for using equity method is set out below:

ABM

	2024 **RMB'000**	2023 RMB'000
Current assets	**9,270,218**	10,950,481
Non-current assets	**7**	492
Current liabilities	**(940,420)**	(2,052,094)
Non-current liabilities	**(8,137,921)**	(8,188,415)
Revenue	**9,177,667**	15,751,187
Profit for the year	**2,073,172**	3,593,184
Other comprehensive income for the year	**5,444**	70,008
Total comprehensive income for the year	**2,078,616**	3,663,192
Dividends received from the associate during the year	**(649,299)**	(2,843,867)
Elimination of unrealised profits	**(11,419)**	(64,409)

The reconciliation of the summarised financial information presented above to the carrying amount of the interest in the associate is set out below:

	2024 **RMB'000**	2023 RMB'000
Net assets of the associate	**191,884**	710,464
Proportion of the Group's ownership interest in ABM	**25%**	25%
Carrying amount of the Group's interest in ABM	**47,971**	177,616

Binneng Energy

	2024 **RMB'000**	2023 RMB'000
Non-current assets	**11,703,369**	11,724,817
Current assets	**14,581,448**	14,394,972
Non-current liabilities	**(5,747,900)**	(5,957,650)
Current liabilities	**(4,987,456)**	(6,325,643)
Revenue	**14,368,927**	14,343,389
Profit for the year and total comprehensive income for the year	**1,712,965**	862,861
Elimination of unrealised profits	**2,723**	(18,418)

20. INTERESTS IN ASSOCIATES (Continued)

Binneng Energy (Continued)

The reconciliation of the summarised financial information presented above to the carrying amount of the interest in the associate is set out below:

	2024 RMB'000	2023 RMB'000
Net assets of the associate	**15,549,461**	13,836,496
Proportion of the Group's ownership interest in Binneng Energy	**37.5%**	37.5%
Carrying amount of the Group's interest in Binneng Energy	**5,831,048**	5,188,686

The financial information and carrying amount, in aggregate, of the Group's interests in associates that are not individually material and are accounted for using the equity method are set out below:

	2024 RMB'000	2023 RMB'000
The Group's share of profit	**608,506**	62,745
The Group's share of other comprehensive expense	**(61,596)**	5,205
The Group's share of total comprehensive income	**546,910**	67,950
Dividends received from the associate during the year	**(107,033)**	–
Elimination of realised profits	**(2,008)**	(8,528)

	2024 RMB'000	2023 RMB'000
Carrying amount of the Group's interests in immaterial associates	**1,439,694**	1,199,456

21. LOAN TO AN ASSOCIATE

	2024 RMB'000	2023 RMB'000
Non-current portion		
Loan to an associate	**2,000,000**	2,000,000

The loan to an associate was secured by certain plant and equipment held by the respective associate, bearing interest at 6% (2023: 6%) per annum and repayable in June 2028 (2023: June 2025). During the year ended 31 December 2024, the Group renewed the loan to an associate of RMB2,000,000,000 for another 3 years bearing the interest rate at 6% per annum.

22. GOODWILL

	2024 RMB'000	2023 RMB'000
COST		
At beginning and the end of the financial year	**1,934,457**	1,934,457
IMPAIRMENT		
At beginning and the end of the financial year	**1,656,233**	1,656,233
CARRYING AMOUNT		
At 31 December	**278,224**	278,224

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

Impairment test on goodwill

For the purposes of impairment testing, the carrying amount of goodwill has been allocated to the following CGUs:

	2024 RMB'000	2023 RMB'000
Manufacture and selling of aluminum products in Beihai, the PRC (Binzhou Municipal Xinhe New Material Co., Ltd* ("Beihai Xinhe") 濱州市北海信和新材料有限公司)	**–**	–
Manufacture and selling of aluminum products in Binzhou, the PRC (Binzhou Hongnuo New Material)	**80,418**	80,418
Manufacture and selling of aluminum products in Boxing, the PRC (Hongchuang)	**197,806**	197,806
	278,224	278,224

For the purpose of impairment assessment, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective CGU.

* The English translation is for reference only.

22. GOODWILL (Continued)

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Binzhou Hongnuo New Material

The recoverable amount of this unit has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and a pre-tax discount rate of 21.33% (2023 21.33%). Binzhou Hongnuo New Material's cash flows beyond the 5-year period are extrapolated using a 3% growth rate. The financial budgets estimated are consistent with the track record of the Group's projections. Senior management believes that this growth rate is justified as it is within the long-term growth rate of the industry.

Other key assumptions for the value-in-use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Binzhou Hongnuo New Material to exceed the aggregate recoverable amount of Binzhou Honguo New Material.

During the years ended 31 December 2024 and 2023, no impairment loss recognised in relation to goodwill arising on acquisition of Binzhou Hongnuo New Material.

Hongchuang

The recoverable amount of this CGU has been determined based on fair value less costs of disposal, which is determined by reference to the quoted share price of Hongchuang and relevant transaction costs.

The fair value hierarchy as at 31 December 2024 and 2023 of Hongchuang are at Level 1. There were no transfers between levels of fair value hierarchy during the year.

During the years ended 31 December 2024 and 2023, no impairment loss was recongised in relation to goodwill arising on acquisition of Hongchuang.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVTOCI")

	2024 RMB'000	2023 RMB'000
Equity instruments as at FVTOCI		
– Listed	**1,060,450**	1,306,966
– Unlisted	**84,360**	94,412
	1,144,810	1,401,378

The fair values of these investments are disclosed in note 46(g).

The investments in listed equity securities are as follows:

Name of listed equity securities	Place of listing	Fair value 2024 RMB'000	Fair value 2023 RMB'000
Weihai City Commercial Bank Co., Ltd	Hong Kong	**736,124**	708,065
Bank of Jinzhou	Hong Kong	**–**	169,593
Innovation New Material Technology Co., Ltd.	Shanghai	**167,215**	218,459
Thunder Software Technology Co., Ltd.	Shenzhen	**156,128**	209,866
Others	Hong Kong	**983**	983
		1,060,450	1,306,966

The private entity is engaged in development and application of semiconductor materials.

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

During the year ended 31 December 2024, the Group has disposed a listed equity security at consideration of RMB166,485,000 (2023: nil) which approximate its fair value.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	2024 RMB'000	2023 RMB'000
Financial assets at FVTPL		
– Limited partnerships	**11,088,589**	11,725,159

The fair values of these investments are disclosed in note 46(g).

The directors of the Company consider that the Group does not have any control nor significant influence to affect the variable returns through its investment in those enterprises or similar activities.

25. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	**24,354,016**	22,371,825
Work in progress	**10,345,714**	9,321,631
Finished goods	**2,644,273**	2,264,999
	37,344,003	33,958,455

During the year ended 31 December 2024, write-down of inventories of approximately RMB261,254,000 (2023: RMB126,282,000) has been recognised and included in other expenses.

During the year ended 31 December 2024, inventories previously impaired were sold or used. As a result, a reversal of provision of approximately RMB170,103,000 (2023: RMB143,953,000) has been recognised and included in cost of sales.

During the year ended 31 December 2023, a reversal of provision of approximately RMB8,195,000 (2024: nil) has been recognised and included in other income and gains due to increase of net realisable value of certain inventories in subsequent period.

26. TRADE RECEIVABLES

	2024 **RMB'000**	2023 RMB'000
Trade receivables	**9,783,057**	5,496,090
Less: allowance for impairment losses	**(9,134)**	(7,339)
	9,773,923	5,488,751

As at 1 January 2023, the gross amount of trade receivable arising from contracts with customers amounted to approximately RMB4,617,414,000.

The Group allows an average credit period of 90 days to its trade customers with trading history, or otherwise sales on cash terms are required. The following is an aged analysis of trade receivables, net of allowance for impairment of trade receivables presented based on the date of delivery of goods, which approximates the respective revenue recognition dates, at the end of the reporting period:

	2024 **RMB'000**	2023 RMB'000
Within 3 months	**6,583,327**	4,883,108
3 to 12 months	**3,187,646**	601,815
12 to 24 months	**2,950**	3,828
	9,773,923	5,488,751

Before accepting any new customer, the Group will internally assess the credit quality of the potential customer and define appropriate credit limits.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

26. TRADE RECEIVABLES (Continued)

The Group recognised lifetime ECL for trade receivables based on the ageing of customers collectively that are not individually significant. As at 31 December 2024, lifetime ECL of approximately RMB9,134,000 (2023: RMB7,339,000) was made in respect of trade receivables with gross amount of RMB9,134,000 (2023: RMB7,339,000) as they are determined to be credit-impaired which aged over 3 years. For the remaining balance of approximately RMB9,773,923,000 (2023: RMB5,488,751,000), the Group determines the ECL based on a provision matrix grouped by the past due status of these receivables. However, no loss allowance was made on these receivables as the identified impairment loss is immaterial.

The provision matrix of trade receivables is set out below:

For the year ended 31 December 2024

	Trade receivables days past due						
	Current	**1-3 months past due**	**3-12 months past due**	**12-24 months past due**	**24-36 months past due**	**More than 36 months past due**	**Total**
ECL rate	**0%**	**0%**	**0.002%**	**0.077%**	**100%**	**100%**	
Gross carrying amount (RMB'000)	**9,498,523**	**165,425**	**107,025**	**2,950**	**1,795**	**7,339**	**9,783,057**
Lifetime ECL (RMB'000)	**–**	**–**	**–**	**–**	**(1,795)**	**(7,339)**	**(9,134)**
Net amount (RMB'000)	**9,498,523**	**165,425**	**107,025**	**2,950**	**–**	**–**	**9,773,923**

For the year ended 31 December 2023

	Trade receivables days past due						
	Current	1-3 months past due	3-12 months past due	12-24 months past due	24-36 months past due	More than 36 months past due	Total
ECL rate	0%	0.024%	0.134%	0.219%	100%	100%	
Gross carrying amount (RMB'000)	5,277,980	134,324	72,619	3,828	620	6,719	5,496,090
Lifetime ECL (RMB'000)	–	–	–	–	(620)	(6,719)	(7,339)
Net amount (RMB'000)	5,277,980	134,324	72,619	3,828	–	–	5,488,751

The movement in the allowance for impairment of trade receivables is set out below:

	2024 RMB'000	2023 RMB'000
At 1 January	**7,339**	6,719
Impairment loss recognised	**1,795**	620
At 31 December	**9,134**	7,339

27. BILLS RECEIVABLES

	2024 RMB'000	2023 RMB'000
Bills receivables	**6,602,454**	4,977,642

The ageing analysis of bills receivables presented based on the issue date at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	**3,248,513**	3,292,402
3 to 6 months	**3,334,259**	1,684,399
Over 6 months	**19,682**	841
	6,602,454	4,977,642

The Group measures the loss allowance for bills receivables at an amount equal to 12-month ECL. As the Group's historical credit loss experience does not indicate significant difficulties in recovering these bills receivables before their due dates, no loss allowance was provided on the Group's bills receivables for the years ended 31 December 2024 and 2023.

28. PREPAYMENTS AND OTHER RECEIVABLES

The balance consists of prepayments and other receivables at cost of:

	2024 RMB'000	2023 RMB'000
Prepayments to suppliers	**4,322,776**	4,149,075
Prepayments to an associate	**–**	929,989
Value-added tax recoverable	**2,375,154**	2,275,719
Receivables arising from dealing with futures	**140,364**	404,455
Factoring receivables (note (i))	**378,970**	582,210
Interest receivables	**488,900**	300,507
Others	**128,973**	129,266
	7,835,137	8,771,221
Less: allowance for impairment losses	**(23,426)**	(23,417)
	7,811,711	8,747,804

Note:

(i) The factoring receivables will be received within one year and carrying interest rate of 10% per annum.

28. PREPAYMENTS AND OTHER RECEIVABLES (Continued)

The Group recognised lifetime ECL and 12-month ECL for other receivables based on individually significant customers as follows:

For the year ended 31 December 2024

	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Other receivables – Default	23,133	(23,133)	–
Other receivables – Performing	1,114,074	(293)	1,113,781
	1,137,207	(23,426)	1,113,781

For the year ended 31 December 2023

	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Other receivables – Default	23,116	(23,116)	–
Other receivables – Performing	1,393,322	(301)	1,393,021
	1,416,438	(23,417)	1,393,021

The movement in the impairment allowance for other receivables during the year are as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	23,417	27,020
Reversal of impairment loss	–	(3,603)
Impairment loss recognised	9	–
At 31 December	23,426	23,417

29. FINANCIAL ASSET AT AMORTISED COST

	2024 RMB'000	2023 RMB'000
Financial asset at amortised cost		
Collective investment trust B	**2,494,000**	2,494,000

The collective investment trust B represents asset income trust with 2,494,000,000 units at RMB1 per unit issued by CITIC Trust and will be matured on 13 January 2028. The asset income trust carries fixed interest rate of 5.78% per annum.

30. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	2024 RMB'000	2023 RMB'000
Cash and bank balances	**44,770,241**	31,721,122
Restricted bank deposits	**2,797,477**	1,826,579
	47,567,718	33,547,701
Less:		
Restricted bank deposits:		
– pledged for bills payable	**(1,687,494)**	(1,295,834)
– pledged for issuance of letter of credit	**(800,193)**	(513,871)
– pledged for guarantee issued	**(309,790)**	(16,874)
Cash and cash equivalents	**44,770,241**	31,721,122

Cash and cash equivalents are principally RMB-denominated deposits placed with banks in the PRC. The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB into other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at respective short-term deposit rates. The bank balances and short-term time deposits are deposited with creditworthy banks with no recent history of default.

Bank balances and short-term time deposits carry interest at market rates which ranged from 0.01% to 2.50% (2023: 0.05% to 1.71%) per annum.

Restricted bank deposits represents deposits pledged to banks to secure short-term banking facilities granted to the Group and guarantees issued by the Group. The restricted bank deposits carry fixed interest rate ranged from 0.05% to 2.75% (2023: 0.05% to 1.76%) per annum.

Details of impairment assessment of bank balances and restricted bank deposits are set out in note 46(d).

31. CHANGES IN FAIR VALUES OF FINANCIAL INSTRUMENTS

	2024 **RMB'000**	2023 RMB'000
Changes in fair values of arising from:		
– financial assets at FVTPL	**(636,570)**	–
– derivatives component of convertible bonds (note 40)	**(1,555,892)**	(49,044)
	(2,192,462)	(49,044)

32. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

On 2 December 2024, Binzhou Green Energy Thermal Power Co., Ltd. * ("Green Energy") 濱州綠能熱電有限公司, a subsidiary of the Company, entered into a sale and purchase agreement with an independent third party, to dispose of certain of plant and machinery and equipment in Binzhou City Huimin District, at a consideration of RMB400,000,000.

The disposal is expected to be completed within twelve months from the end of the current year and is therefore classified as assets held for sales in the consolidated statement of financial position. The sales proceeds are expected to exceed the net carrying amounts of the relevant assets and accordingly, no further impairment has been recognised. The disposal was negotiated under arm's length basis and approved by the board of directors' of the subsidiary.

The property, plant and equipment of approximately RMB353,982,000 as at 31 December 2024 has been presented separately in the consolidated statement of financial position.

33. TRADE AND BILLS PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables to third parties	**11,863,104**	10,764,251
Trade payables to associates	**2,602,869**	648,596
Trade payables to related parties	**101,479**	103,167
	14,567,452	11,516,014
Bills payables (Note)	**363,063**	132,262
	14,930,515	11,648,276

Note: The amounts relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2024 RMB'000	2023 RMB'000
Within 6 months	**13,685,014**	10,856,474
6 to 12 months	**566,827**	400,421
1 to 2 years	**295,197**	229,088
More than 2 years	**20,414**	30,031
	14,567,452	11,516,014

The trade payables are non-interest bearing and are normally settled on a credit term of six months. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Bills payables were bills of acceptance with maturity of less than one year.

34. OTHER PAYABLES AND ACCRUALS

	2024 RMB'000	2023 RMB'000
Payables on property, plant and equipment	**5,967,286**	4,500,509
Retention payables	**2,117,765**	1,886,383
Accrued payroll and welfare (note (i))	**1,179,500**	972,811
Contract liabilities (note (ii))	**1,868,466**	1,203,660
Dividend payables	**6**	6
Interest payable	**582,358**	547,652
Other taxes payables	**927,849**	921,970
Others	**570,235**	570,306
	13,213,465	10,603,297

Notes:

(i) Included in the accrued payroll and welfare as at 31 December 2024 were accrued directors payroll and welfare of approximately RMB3,950,000 (2023: RMB4,532,000). The amount is unsecured, non-interest bearing and repayable on demand.

(ii) Contract liabilities include advances received to deliver goods. As at 1 January 2023, contract liabilities amounted to RMB1,757,470,000.

Revenue recongised during the year ended 31 December 2024 that was included in the contract liabilities at the beginning of the year is approximately RMB1,203,660,000 (2023: RMB1,757,470,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in prior years.

35. BANK BORROWINGS

	2024 RMB'000	2023 RMB'000
Current		
Secured bank borrowings (note (iii))	**10,254,860**	11,343,001
Unsecured bank borrowings (note (i))	**23,913,342**	19,146,207
	34,168,202	30,489,208
Non-current		
Secured bank borrowings (note (iii))	**5,292,796**	1,194,862
Unsecured bank borrowings (note (i))	**8,841,431**	7,427,046
	14,134,227	8,621,908
	48,302,429	39,111,116

35. BANK BORROWINGS (Continued)

Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	2024 RMB'000	2023 RMB'000
Within one year	**34,168,202**	30,489,208
In the second year	**8,099,946**	2,219,862
In the third to fifth years, inclusive	**4,923,512**	4,381,137
Over fifth years	**1,110,769**	2,020,909
	48,302,429	39,111,116

	2024 RMB'000	2023 RMB'000
Fixed-rate borrowings	**31,079,784**	28,499,674
Variable-rate borrowings	**17,222,645**	10,611,442
	48,302,429	39,111,116

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2024	2023
Effective interest rate:		
Fixed-rate borrowings	**3.50% to 7.50%**	4.35% to 7.50%
Variable-rate borrowings	**3.00% to 8.00%**	4.00% to 8.25%

The Group has variable-rate borrowings denominated in RMB at floating rates calculated based on the borrowing rates announced by the People's Bank of China (the "PBOC") or China Foreign Exchange Trading System & National Interbank Funding Center ("CFETS"). Interests on borrowings denominated in US$ at floating rates are calculated based on SOFR.

The Group's borrowings that are denominated in currencies other the functional currencies of the relevant group entities are set out below:

	2024 RMB'000	2023 RMB'000
US$	**504,134**	998,590
HK$	**1,627,572**	31,299

35. BANK BORROWINGS (Continued)

Notes:

(i) Unsecured bank borrowings of approximately RMB6,600,000,000 (2023: RMB3,600,000,000) are guaranteed by related parties and set out in note 51(c).

(ii) As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

	2024	2023
	RMB'000	RMB'000
Floating rate	**32,630,170**	31,775,345

(iii) Secured bank borrowings of the Group are secured by the Group's property, plant and equipment and right-of-use assets which were set out in notes 16 and 17 respectively.

36. OTHER FINANCIAL LIABILITY

On 21 December 2023, Shandong Hongtuo Industrial Company Limited ("Shandong Hongtuo") * 山東宏拓實業有限公司, a subsidiary of the Company, entered into various capital contribution agreements with the investors for the capital contributions (at an aggregate cash consideration of RMB2,962,600,000. Details of the capital contributions are set out in the Company's announcements dated 21 December 2023.

Pursuant to the capital contributions from investors as mentioned above, a redemption right is granted by Company to each investor.

Each investor shall have the right to request Shandong Weiqiao Aluminum & Power Co., Ltd.* ("Shandong Weiqiao") 山東魏橋鋁電有限公司, Shandong Hongqiao New Material Co., Ltd ("Shandong Hongqiao"), which are the subsidiaries of the Company, or other related parties designated by Shandong Weiqiao other than the Shandong Hongtuo and Shandong Hongqiao (one or more parties, singly or collectively, the "Repurchase Obligor(s)") to repurchase all of their equity interests in Shandong Hongtuo at the redemption price, if any of the triggering events occurs during the redemption period, which commenced from the date of the completion of each capital contribution to or before 31 December 2026.

The key triggering events included:

(i) Shandong Hongtuo fails to conduct an initial public offering and the listing of its securities on the Stock Exchange in the PRC after 36 months of capital contribution, unless such failure was a result of non-cooperation by the investors or any force majeure events as set out in the capital contributions agreements; and

(ii) Fails to fulfill dividend distribution policy (i.e. 30% of distributable profit) and anti-dilution compensation (i.e. subscription price for new registered capital cannot lower than this capital contributions) as set out in the capital contributions agreements.

The redemption price was the principal amount plus accrued interest, being 6% per annum calculated from the date of the completion of each capital contribution to the date of receipt of the redemption price from each investors, less any dividends income received by each investor as the shareholders of Shandong Hongtuo.

* The English translation is for reference only.

36. OTHER FINANCIAL LIABILITY (Continued)

In the opinion of the directors of the Company, except for the success listing of Shandong Hongtuo, the Group has the control of all other triggering events and does not expect redemption will occur within next twelve months from the end of the reporting period.

The redemption right constituted a contract that contains an obligation for the Group to repurchase the equity instruments of the subsidiaries of the Company gives rise to a redemption financial liability recognised at the present value of the redemption price, being RMB2,962,600,000, and subsequently measured at amortised cost. The movement in the redemption financial liability are as follow:

	2024 RMB'000	2023 RMB'000
At 1 January	**2,965,195**	–
Capital contribution from the investor	**–**	2,962,600
Interest expense (note 9)	**177,756**	2,595
Dividend paid	**(411,996)**	–
At 31 December	**2,730,955**	2,965,195

37. SHORT-TERM DEBENTURES AND NOTES

	2024 RMB'000	2023 RMB'000
Short-term debentures and notes	**3,000,000**	7,000,000

The details of the unsecured short-term debentures and notes issued and outstanding as at 31 December 2024 and 2023 are set out as follows:

Debentures	**Date of issue**	**Principal amount**		**Interest rate**	**Date of maturity**
		2024 RMB'000	2023 RMB'000		
Short-term debentures F	16 February 2023	**–**	1,000,000	4.60%	16 February 2024
Short-term debentures G	10 March 2023	**–**	1,000,000	4.50%	10 March 2024
Short-term debentures H	24 May 2023	**–**	1,000,000	4.18%	24 May 2024
Short-term debentures I	12 July 2023	**–**	1,000,000	4.47%	12 July 2024
Short-term debentures J	23 August 2023	**–**	1,000,000	4.20%	23 August 2024
Short-term debentures K	22 September 2023	**–**	1,000,000	4.21%	22 September 2024
Short-term debentures L	28 November 2023	**–**	1,000,000	4.00%	28 November 2024
Short-term debentures M	11 January 2024	**1,000,000**	–	3.30%	11 January 2025
Short-term debentures N	6 February 2024	**1,000,000**	–	3.19%	6 February 2025
Short-term debentures O	17 May 2024	**1,000,000**	–	2.80%	17 May 2025

The short-term debentures and notes were issued to various independent third parties according to the approvals issued by National Association of Financial Market Institutional Investors ("NAFMII"). Interest is payable annually.

38. MEDIUM-TERM DEBENTURES AND BONDS

	2024 RMB'000	2023 RMB'000
Amounts due within one year	**5,781,304**	8,116,930
Amounts due after one year	**9,553,655**	3,206,332
	15,334,959	11,323,262

The details of the unsecured medium-term debentures and bonds issued and outstanding as at 31 December 2024 and 2023 are set out as follows:

Debentures	Date of issue	Principal amount		Coupon interest rate	Effective interest rate	Date of maturity
		2024 RMB'000	2023 RMB'000			
Unlisted						
Medium-term debentures Q	14 January 2022	**–**	1,000,000	4.50%	4.80%	14 January 2024
Medium-term debentures R	18 March 2022	**–**	1,000,000	4.50%	4.80%	18 March 2024
Medium-term debentures S	30 March 2023	**300,000**	300,000	4.82%	4.82%	30 March 2025
Medium-term debentures T	13 April 2023	**1,000,000**	1,000,000	4.96%	4.82%	13 April 2025
Medium-term debentures U	16 June 2023	**600,000**	600,000	5.00%	4.82%	16 June 2025
Medium-term debentures V	28 July 2023	**720,000**	720,000	4.96%	4.82%	28 July 2025
Medium-term debentures W	21 August 2023	**300,000**	300,000	4.95%	4.82%	21 August 2025
Medium-term debentures X	26 December 2023	**300,000**	300,000	4.82%	4.82%	26 December 2025
Medium-term debentures Y	19 January 2024	**1,000,000**	–	4.00%	4.31%	19 January 2026
Medium-term debentures Z	1 February 2024	**1,000,000**	–	3.78%	4.10%	1 February 2026
Medium-term debentures AA	4 March 2024	**1,000,000**	–	3.60%	3.92%	4 March 2026
Medium-term debentures AB	22 March 2024	**1,000,000**	–	3.50%	3.91%	22 March 2026
Medium-term debentures AC	12 April 2024	**1,000,000**	–	3.50%	3.82%	12 April 2026
Medium-term debentures AD	14 June 2024	**1,000,000**	–	2.60%	2.91%	14 June 2026
Medium-term debentures AE	27 June 2024	**500,000**	–	2.57%	2.88%	27 June 2026
Medium-term debentures AF	3 July 2024	**500,000**	–	3.08%	3.41%	3 July 2027
Medium-term debentures AG	11 July 2024	**300,000**	–	3.07%	3.36%	11 July 2027
Medium-term debentures AH	26 July 2024	**1,000,000**	–	3.00%	3.29%	26 July 2027
Medium-term debentures AI	8 August 2024	**1,000,000**	–	2.80%	3.12%	8 August 2027
Medium-term debentures AJ	13 September 2024	**300,000**	–	2.95%	3.28%	13 September 2027
Listed						
Enterprise bonds L	26 March 2019	**–**	2,000,000	6.00%	6.22%	26 March 2024
Enterprise bonds N	11 June 2021	**–**	500,000	5.60%	5.81%	11 June 2024
Enterprise bonds O	20 August 2021	**–**	1,000,000	4.16%	4.26%	20 August 2024
Enterprise bonds P	13 June 2022	**1,000,000**	1,000,000	4.30%	4.52%	13 June 2025
Enterprise bonds Q	3 August 2022	**1,000,000**	1,000,000	4.50%	4.60%	3 August 2025
Enterprise bonds R	3 November 2022	**620,000**	620,000	4.00%	4.12%	3 November 2027

38. MEDIUM-TERM DEBENTURES AND BONDS (Continued)

Enterprise bonds were issued according to the approvals issued by National Development and Reform Commission and are listed on Shanghai Stock Exchange and carry interest at coupon rate with the issuer's option to adjust the rate at pre-agreed dates.

According to the terms and conditions of enterprise bonds R, the bonds holders have a right to redeem all or part of the bonds at a redemption price equal to 100% of the principal plus accrued and unpaid interest at the end of each year and the Group has a right to adjust the interest rate of the enterprise bonds. As a result, enterprise bonds R was classified as current liability as at 31 December 2024.

Debentures were issued to various independent third parties according to the approvals issued by NAFMII and all of the debentures carry interest at fixed rate.

Interest is payable annually. Issue costs are included in the carrying amount of the medium-term debentures and bonds and amortised over the period of the medium-term debentures and bonds using the effective interest method.

39. GUARANTEED NOTES

	2024 **RMB'000**	2023 RMB'000
Amounts shown under current liabilities	**2,154,409**	3,511,821

2024 Guaranteed Notes

On 1 June 2021, the Company issued 6.25% guaranteed notes with the aggregate principal amount of US$500,000,000 (equivalent to approximately RMB3,230,050,000) (the "2024 Guaranteed Notes") which were guaranteed by certain subsidiaries of the Group. The 2024 Guaranteed Notes will be matured on 8 June 2024. The 2024 Guaranteed Notes are listed on the Singapore Exchange Securities Trading Limited.

According to the terms and conditions of the 2024 Guarantee Notes, at any time or from time to time prior to the maturity date, the 2024 Guaranteed Notes may/will be redeemed by the Company and select one of the calculation of redemption price set forth below:

Period	**Redemption price**
Prior to 8 June 2024	100% of the principal amount, plus the applicable premium as of, plus accrued and unpaid interest, if any, to (but not including) the redemption date (notes i & ii)
Prior to 8 June 2024	106.25% of the principal amount, plus accrued and unpaid interest (note iii)

39. GUARANTEED NOTES (Continued)

2024 Guaranteed Notes (Continued)

Notes:

(i) Applicable premium means with respect to a note at any redemption date, the greater of (i) 100% of the principal amount and (ii) the excess of (A) the present value at such redemption date of the principal amount of the 2024 Guaranteed Notes on 8 June 2024, plus all required remaining scheduled interest payments due on the 2024 Guaranteed Notes through 8 June 2024 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the adjusted treasury rate as disclosed in the offering circular plus 100 basis points, over (B) the principal amount on redemption date.

(ii) At any time prior to 8 June 2024, the Company may at its option redeem the 2024 Guaranteed Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount plus the applicable premium as of, plus accrued and unpaid interest, if any, to the redemption date.

(iii) At any time prior to 8 June 2024, the Company may redeem up to 35% of the 2024 Guaranteed Notes, at a redemption price of 106.25% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date in each case, using the net cash proceeds from sales of certain equity offerings.

The carrying amount of the 2024 Guaranteed Notes on date of issuance was net of issue expenses of US$4,279,000 (equivalent to approximately RMB27,203,000) and the effective interest rate of the 2024 Guaranteed Notes is 6.52% per annum.

The estimated fair value of the early redemption right was insignificant at initial recognition and year end date.

2025 Guaranteed Notes

On 25 March 2024, the Company issued 7.75% guaranteed notes with the aggregate principal amount of US$300,000,000 (equivalent to approximately RMB2,131,770,000) (the “2025 Guaranteed Notes”) which were guaranteed by certain subsidiaries of the Group. The 2025 Guaranteed Notes will be matured on 27 March 2025. The 2025 Guaranteed Notes are listed on the Singapore Exchange Securities Trading Limited.

According to the terms and conditions of the 2025 Guarantee Notes, at any time or from time to time prior to the maturity date, the 2025 Guaranteed Notes may/will be redeemed by the Company and select one of the calculation of redemption price set forth below:

Period	Redemption price
Prior to 8 March 2025	100% of the principal amount, plus the applicable premium as of, plus accrued and unpaid interest, if any, to (but not including) the redemption date (notes i & ii)
Prior to 8 March 2025	107.75% of the principal amount, plus accrued and unpaid interest (note iii)

39. GUARANTEED NOTES (Continued)

2025 Guaranteed Notes (Continued)

Notes:

(iv) Applicable premium means with respect to a note at any redemption date, the greater of (i) 100% of the principal amount and (ii) the excess of (A) the present value at such redemption date of the principal amount of the 2025 Guaranteed Notes on 8 March 2025, plus all required remaining scheduled interest payments due on the 2025 Guaranteed Notes through 8 March 2025 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the adjusted treasury rate as disclosed in the offering circular plus 100 basis points, over (B) the principal amount on redemption date.

(v) At any time prior to 8 March 2025, the Company may at its option redeem the 2025 Guaranteed Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount plus the applicable premium as of, plus accrued and unpaid interest, if any, to the redemption date.

(vi) At any time prior to 8 March 2025, the Company may redeem up to 35% of the 2025 Guaranteed Notes, at a redemption price of 107.75% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date in each case, using the net cash proceeds from sales of certain equity offerings.

The carrying amount of the 2025 Guaranteed Notes on date of issuance was net of issue expenses of US$2,400,000 (equivalent to approximately RMB17,055,000) and the effective interest rate of the 2024 Guaranteed Notes is 8.55% per annum.

The estimated fair value of the early redemption right was insignificant at initial recognition and year end date.

40. CONVERTIBLE BONDS

On 25 January 2021, the Company issued a new convertible bonds (“2021 CBs”) bearing interest at 5.25% per annum, which were due on 25 January 2026 with an aggregate principal amount of US$300,000,000. The 2021 CBs were denominated in US$ and entitle the holders to convert them into ordinary shares of the Company at a conversion price of HK$8.91 per share with fixed exchange rate of HK$7.7530 equal to US$1.00 at any time on or after 7 March 2021 and thereafter up to the close of business on the tenth day prior to the maturity date. Unless previously redeemed, converted, purchased and cancelled, all convertible bonds outstanding on maturity date shall be repaid by the Company at its principal amount outstanding on maturity date plus accrued interest. The Company may, at the option of the holders, on giving not more than 60 days and not less than 30 days prior to the put option date, on 25 January 2023, redeem the outstanding 2021 CBs in whole or in part at 100% of the principal amount and accrued interest to the respective date fixed for redemption. At the issue date, the 2021 CBs were bifurcated into liability and derivative components. The effective interest rate of the liability component of 2021 CBs is 9.872% per annum.

As a result of the Company’s declaration of dividend, the conversion price of the 2021 CBs was adjusted to HK$6.14 per share (31 December 2023: HK$6.82) with effect from 25 November 2024. Save for this alteration, all other terms and conditions of the outstanding 2021 CBs remained unchanged. The relevant ordinary resolution was duly passed at the special general meeting.

As at 31 December 2024, the principal amount of the 2021 CBs that remained outstanding amounted to US$300,000,000 (2023: US$300,000,000) of which a maximum of 378,811,074 (2023: 341,041,055) shares may fall to be issued upon their conversions, subject to adjustments provided in the terms of the 2021 CBs. Details of the terms of the CBs are set out in announcements of the Company dated 11 June 2021, 25 November 2021, 31 May 2022, 21 November 2022, 31 May 2023, 24 November 2023, 30 May 2024 and 23 November 2024.

40. CONVERTIBLE BONDS (Continued)

The movements of the liability and derivatives components of 2021 CBs and the reconciliation of Level 3 fair value measurement during the reporting period are set out below:

	Liability component of 2021 CBs RMB'000	Derivatives component of 2021 CBs RMB'000	Total RMB'000
As at 1 January 2023	1,830,527	457,010	2,287,537
Changes in fair values	–	49,044	49,044
Effective interest expenses	182,338	–	182,338
Interest paid	(54,813)	–	(54,813)
Exchange translation	5,515	15,865	21,380
31 December 2023	1,963,567	521,919	2,485,486
Changes in fair values	**–**	**1,555,892**	**1,555,892**
Effective interest expenses	**194,812**	**–**	**194,812**
Interest paid	**(113,978)**	**–**	**(113,978)**
Exchange translation	**48,834**	**31,454**	**80,288**
31 December 2024	**2,093,235**	**2,109,265**	**4,202,500**

No redemption, purchase or cancellation by the Company has been made in respect of the 2021 CBs for both years.

At 31 December 2024 and 2023, the fair value of the derivative component was valued by Asia-Pacific Consulting and Appraisal Limited, an independent qualified professional valuer not connected with the Group. The fair value of the derivative component of convertible bonds were estimated at the date of issue and the end of reporting period, respectively using the binomial option pricing model. The changes in fair value of the derivative component of convertible bonds were recognised in the profit or loss. The inputs into the model were as follows:

	2021 CBs	
	At 31 December 2024	At 31 December 2023
Share price	**HK$11.76**	HK$6.39
Conversion price	**HK$6.14**	HK$6.82
Expected volatility	**46.35%**	46.32%
Expected life	**1.07 years**	2.07 years
Risk free rate	**4.17%**	4.12%
Expected dividend yield	**4.01%**	3.92%

41. DEFERRED TAXATION

The following is the analysis of the deferred tax assets (liabilities), after set off certain deferred tax assets against deferred tax liabilities of the same taxable entity, for the financial reporting purposes:

	2024 RMB'000	2023 RMB'000
Deferred tax assets	**2,621,516**	2,990,023
Deferred tax liabilities	**(488,057)**	(363,704)
	2,133,459	2,626,319

The deferred tax assets (liabilities) recognised by the Group and the movements thereon during the year are as follows:

	Decelerated tax depreciation RMB'000	Tax losses RMB'000	Undistributed profits of PRC subsidiaries RMB'000	Unrealised profit on intra-group sales RMB'000	Deferred income RMB'000	Provisions RMB'000	Fair value increase on non-current assets arising from business combination RMB'000	Estimated liabilities for employee benefits RMB'000	Total RMB'000
At 1 January 2023	120,876	689,066	(358,097)	1,680,081	98,578	6,193	(165,698)	10,403	2,081,402
(Charged) credited to profit or loss	(27,279)	41,658	87,609	378,675	(11,225)	1,024	72,482	1,973	544,917
At 31 December 2023 and 1 January 2024	**93,597**	**730,724**	**(270,488)**	**2,058,756**	**87,353**	**7,217**	**(93,216)**	**12,376**	**2,626,319**
(Charged) credited to profit or loss	**(26,926)**	**(155,620)**	**(177,023)**	**(193,192)**	**(10,964)**	**16,008**	**52,670**	**2,187**	**(492,860)**
At 31 December 2024	**66,671**	**575,104**	**(447,511)**	**1,865,564**	**76,389**	**23,225**	**(40,546)**	**14,563**	**2,133,459**

At the end of the reporting period, the Group has unused tax losses of approximately RMB4,399,646,000 (2023: RMB4,809,657,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB2,300,416,000 (2023: RMB2,922,896,000) of such losses that will expire within next five years. No deferred tax asset has been recognised in respect of the remaining losses approximately RMB2,099,230,000 (2023: RMB2,232,501,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB1,470,938,000 (2023: RMB1,664,634,000) that will expire within next five years. The remaining unrecognised tax losses of approximately RMB628,292,000 (2023: RMB567,867,000) may be carried forward indefinitely.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB86,059,191,000 (2023: RMB85,002,136,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

42. DEFERRED INCOME

	2024	2023
	RMB'000	RMB'000
Government grants related to property, plant and equipment		
– Current liabilities	**35,039**	35,290
– Non-current liabilities	**1,527,538**	1,475,183
	1,562,577	1,510,473

As at 31 December 2024, the Group received government subsidies of approximately RMB95,960,000 (2023: RMB724,395,000) towards the cost of certain construction projects. The amount has been treated as deferred income and is transferred to income over the useful lives of relevant plant and machineries. This policy has resulted in a credit to income in the current year of approximately RMB43,856,000 (2023: RMB44,898,000).

43. SHARE CAPITAL

	Number of shares		**Share Capital**	
	2024	2023	**2024**	2023
			US$	US$
Authorised:				
Ordinary shares of US$0.01 each	**20,000,000,000**	20,000,000,000	**200,000,000**	200,000,000

	2024	2023	**2024**	2023
			US$	US$
Issued and fully paid:				
Ordinary shares of US$0.01 each	**9,475,538,425**	9,475,538,425	**94,755,384**	94,755,384

	Number of shares	**Share Capital**
		RMB'000
Issued and fully paid:		
At 1 January 2023, 31 December 2023 and 31 December 2024	**9,475,538,425**	**618,881**

The Company does not have any share option scheme.

All shares issued rank pari passu in all respects with all shares then in issue.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year (2023: nil).

44. RESERVES

(a) Capital reserve

Capital reserve represents (i) the effect of the group reorganisation completed in March 2010; (ii) deemed capital contribution from its equity holders; (iii) amount of consideration paid by Shandong Hongqiao in excess of the net book value of Chongqing Weiqiao Financial Factoring Co., Ltd. acquired from Shandong Weiqiao Chuangye Group Company Limited* ("Weiqiao Chuangye") 山東魏橋創業集團有限公司 in 2018; (iv) difference between the carrying amount of non-controlling interests acquired and the consideration paid for acquisition of addition interest in subsidiaries; (v) share of capital reserve of an associate and subsidiaries from Innovation Carbon New Material; and (vi) the difference between the fair value of capital contribution received from the non-controlling interests and the proportionate of the carrying amount of the net assets of the respective subsidiary attributable to owners of the Company being deemed disposed of.

(b) Statutory surplus reserve

In accordance with the Articles of Association of all subsidiaries established in the PRC, those subsidiaries are required to transfer 5% to 10% of the profit after taxation reported under the relevant accounting policies and financial regulations in the PRC to the statutory surplus reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity owners. The statutory surplus reserve can be used to make up previous year's losses, expand the existing operations or convert into additional capital of the subsidiaries.

(c) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(d) Investment revaluation reserve

Investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments as at FVTOCI.

* The English translation is for reference only.

45. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which comprising the bank borrowings, short-term debentures and notes, medium-term debentures and bonds, guaranteed notes and convertible bonds as disclosed in notes 35, 37, 38, 39 and 40, and net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital as disclosed in note 43, share premium and reserves in the consolidated statement of financial position.

Management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, raise of new capital and share buy-backs as well as the issuance of new debt.

46. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 **RMB'000**	2023 RMB'000
Financial assets		
Financial assets at amortised cost (including cash and cash equivalents)	**75,455,594**	54,369,789
Financial assets at FVTPL	**11,088,589**	11,725,159
Financial assets at FVTOCI	**1,144,810**	1,401,378
Financial liabilities		
Financial liabilities at amortised cost	**98,963,652**	86,000,904
Financial liabilities at FVTPL	**2,109,265**	521,919

46. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, bills receivables, other receivables, financial assets at FVTPL, restricted bank deposits, cash and cash equivalents, financial asset at amortised cost, financial assets at FVTOCI, loans to associates, trade and bills payables, other payables and accruals, other financial liability, bank borrowings, short-term debentures and notes, medium-term debentures and bonds, guaranteed notes and convertible bonds. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk, liquidity risk and risks arising from the interest rate benchmark reform. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(c) Market risk

(i) Currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Exposure to foreign currencies					
	2024			2023		
	USD RMB'000	**HK$ RMB'000**	**IDR RMB'000**	USD RMB'000	HK$ RMB'000	IDR RMB'000
Other receivables	**143,136**	**–**	**–**	294,891	–	–
Cash and cash equivalents	**3,249,948**	**111,988**	**72,265**	1,024,492	33,189	69,430
Trade payables	**2,586,876**	**–**	**–**	78,445	–	–
Other payables and accruals	**–**	**7,408**	**–**	–	–	–
Bank borrowings	**504,134**	**1,627,572**	**–**	998,590	31,299	–
Liability component of convertible bonds	**2,109,265**	**–**	**–**	1,963,567	–	–
Guaranteed notes	**2,154,409**	**–**	**–**	3,511,821	–	–

46. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The Group is mainly exposed to US$, HK$ and IDR.

The following table details the Group's sensitivity to a 3% (2023: 3%) increase and decrease in RMB against the relevant foreign currencies. 3% (2023: 3%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

A positive number below indicates an increase in post-tax profit where RMB strengthen 3% (2023: 3%) against the relevant currency. For a 3% (2023: 3%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit and the amounts below would be negative.

	2024 **RMB'000**	2023 RMB'000
Effect on post-tax profit:		
US$	**99,144**	133,538
HK$	**40,070**	(47)
IDR	**(1,691)**	(1,625)

(ii) Interest rate risk

The Group's fair value interest rate risk relates primarily to its fixed-rate bank borrowings, other financial liability, liability component of convertible bonds, short-term debentures and notes, medium-term debentures and bonds and guaranteed notes. The Group aims at keeping borrowings at fixed rates.

The cash flow interest rate risk of the Group relates primarily to the restricted bank deposits, bank balances and variable-rate bank borrowings, and mainly concentrated on the fluctuation of interest rate quoted from the CFETS, PBOC and SOFR on the bank borrowings.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

46. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of each reporting period. For floating interest rate bank borrowings, restricted bank deposits and bank balances, the analysis is prepared assuming the amount of liabilities and assets outstanding at the end of each reporting period were outstanding for the whole year. A 25 basis points (2023: 25 basis points) increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points (2023: 25 basis points) higher/lower and all other variables were held constant:

	2024 **RMB'000**	2023 RMB'000
Increase (decrease) in profit for the year:		
As a result of increase in interest rate	**(48,171)**	(36,988)
As a result of decrease in interest rate	**48,171**	36,988

This is mainly attributable to the Group's exposure to interest rates on its interest bearing restricted bank deposits and bank balances and variable-rate bank borrowings.

(iii) Other price risk

The Group is exposed to equity price risk through its investment in financial assets at FVTOCI. The Group's equity price risk is concentrated on equity instruments operating in bank industry, industrial metals and mining industry and technology industry sector quoted in the Stock Exchange. For unquoted equity security designated as FVTOCI, the investee is operating in semiconductor industry sector. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

If the price of the quoted equity instrument had been 10% (2023: 10%) higher/lower, other comprehensive income for the year ended 31 December 2024 would increase/decrease by approximately RMB106,045,000 (2023: RMB130,697,000) as a result of the changes in fair value of financial assets at FVTOCI.

46. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (Continued)

(iii) Other price risk (Continued)

Sensitivity analysis (Continued)

If the P/B multiples of the unquoted equity instrument had been 10% (2023: 10%) higher/lower, other comprehensive income for the year ended 31 December 2024 would increase/decrease by approximately RMB8,440,000 (2023: RMB9,441,000) as a result of the changes in fair value of financial assets at FVTOCI.

(d) Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 December 2024 and 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of the Group mainly arises from loans to associates, financial asset at amortised cost, trade receivables, bills receivables, other receivables, restricted bank deposits and bank balances. The carrying amounts of these balances represent our Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on an individual basis for customer with significant balances and/or collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For other non-trade related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. The Group considers that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL.

Management considered loans to an associates to be low credit risk and thus the impairment provision recognised during the year was limited to 12-month ECL.

46. FINANCIAL INSTRUMENTS (Continued)

(d) Credit risk (Continued)

The credit risk on liquid funds and financial assets at amortised cost are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's exposure to credit risk

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by the management uses the Group's own days past due to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

		Basis for recognising ECL	
Category	**Description**	**Trade receivables**	**Other financial assets**
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired (refer to as Stage 1)	Lifetime ECL (simplified approach)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired (refer to as Stage 2)	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Default	Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

46. FINANCIAL INSTRUMENTS (Continued)

(d) Credit risk (Continued)

The tables below detail the credit quality of the Group's financial assets as well as the Group's maximum exposure to credit risk.

For the year ended 31 December 2024

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Trade receivables	(note 1)	Lifetime ECL (simplified approach)	**9,783,057**	**(9,134)**	**9,773,923**
Bills receivables (note 2)	Performing	12-month ECL	**6,602,454**	**–**	**6,602,454**
Other receivables	Performing	12-month ECL	**1,114,074**	**(293)**	**1,113,781**
Other receivables	Default	Lifetime ECL – credit-impaired	**23,133**	**(23,133)**	**–**
Collective investment trust	Performing	12-month ECL	**2,494,000**	**–**	**2,494,000**
Restricted bank deposits	Performing	12-month ECL	**2,797,477**	**–**	**2,797,477**
Cash and cash equivalents	Performing	12-month ECL	**44,770,241**	**–**	**44,770,241**
Loans to associates (note 3)	Performing	12-month ECL	**7,903,718**	**–**	**7,903,718**
			75,488,154	**(32,560)**	**75,455,594**

46. FINANCIAL INSTRUMENTS (Continued)

(d) Credit risk (Continued)

For the year ended 31 December 2023

	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Trade receivables	(note 1)	Lifetime ECL (simplified approach)	5,496,090	(7,339)	5,488,751
Bills receivables (note 2)	Performing	12-month ECL	4,977,642	–	4,977,642
Other receivables	Performing	12-month ECL	1,393,322	(301)	1,393,021
Other receivables	Default	Lifetime ECL – credit-impaired	23,116	(23,116)	–
Collective investment trust	Performing	12-month ECL	2,494,000	–	2,494,000
Restricted bank deposits	Performing	12-month ECL	1,826,579	–	1,826,579
Cash and cash equivalents	Performing	12-month ECL	31,721,122	–	31,721,122
Loans to associates (note 3)	Performing	12-month ECL	6,468,674	–	6,468,674
			54,400,545	(30,756)	54,369,789

Notes:

1. For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, grouped by past due status. The identified impairment loss is immaterial.

2. The credit risk on bills receivables is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies and thus the impairment provision recognised during the year was limited to 12-month ECL.

3. For the loans to associates, the Group regularly monitors the business performance of the associates. The Group's credit risks in these balances are mitigated through the value of the assets held by these entities, the collateral and the power to participate the relevant activities of these entities and thus the impairment provision recognised during the year was limited to 12-month ECL.

46. FINANCIAL INSTRUMENTS (Continued)

(d) Credit risk (Continued)

The Group has concentration of credit risk as 10% (2023: 11%) and 43% (2023: 41%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 98% (2023: 98%) of the total receivables as at 31 December 2024.

The Group has concentration of credit risk in respect of bank's acceptance bills receivables as the Group's largest bills receivables from the top major bank represented 9% (2023: 8%) of the total bills receivables as at 31 December 2024. In addition, the Group's bills receivables from the top five major banks represented 32% (2023: 28%) of the total bills receivables as at 31 December 2024.

The credit risk on bank balances and restricted bank deposits is limited because such amounts are placed with various banks with good credit ratings. Other than disclosed above, the Group does not have any other significant concentration of credit risk.

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on cash generated from operating activities as a significant source of liquidity. Other than the cash generated from operating activities, the Group's management is responsible for obtaining funding from other sources, including guaranteed notes, convertible bonds, bank borrowings, medium-term debentures and bonds and issue of new shares. The management also monitors the recognisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived based on the interest rate at the end of each reporting period.

46. FINANCIAL INSTRUMENTS (Continued)

(e) Liquidity risk management (Continued)

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024							
Non-derivative financial liabilities							
Fixed-rate bank borrowings	5.28%	25,015,920	3,361,236	2,652,119	1,053,047	32,082,322	31,079,784
Floating-rate bank borrowings	4.40%	9,407,746	5,672,115	2,421,909	227,749	17,729,519	17,222,645
Medium-term debentures and bonds	3.79%	6,345,737	6,638,638	3,152,706	-	16,137,081	15,334,959
Short-term debentures and notes	0.49%	3,014,738	-	-	-	3,014,738	3,000,000
Other financial liability	6.00%	-	-	3,080,623	-	3,080,623	2,730,955
Trade and bills payables	-	14,930,515	-	-	-	14,930,515	14,930,515
Other payables (exclude contract liabilities and other tax payables)	-	10,417,150	-	-	-	10,417,150	10,417,150
Guaranteed notes	7.75%	2,195,441	-	-	-	2,195,441	2,154,409
Convertible bonds	9.87%	109,749	2,098,278	-	-	2,208,027	2,093,235
		71,436,996	17,770,267	11,307,357	1,280,796	101,795,416	98,963,652
Lease liabilities		28,226	31,899	86,902	889,592	1,036,619	957,482

46. FINANCIAL INSTRUMENTS (Continued)

(e) Liquidity risk management (Continued)

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2023							
Non-derivative financial liabilities							
Fixed-rate bank borrowings	4.93	23,565,959	1,541,081	3,822,076	–	28,929,116	28,499,674
Floating-rate bank borrowings	4.89	6,929,832	817,421	1,137,273	2,027,894	10,912,420	10,611,442
Medium-term debentures and bonds	4.87	7,057,427	5,387,913	–	–	12,445,340	11,323,262
Short-term debentures and notes	2.13	7,149,248	–	–	–	7,149,248	7,000,000
Other financial liability	6.00	–	–	3,495,868	–	3,495,868	2,965,195
Trade and bills payables	–	11,648,276	–	–	–	11,648,276	11,648,276
Other payables (exclude contract liabilities and other tax payables)	–	8,477,667	–	–	–	8,477,667	8,477,667
Guaranteed notes	7.81	3,638,373	–	–	–	3,638,373	3,511,821
Convertible bonds	9.87	110,050	109,749	2,098,278	–	2,318,077	1,963,567
		68,576,832	7,856,164	10,553,495	2,027,894	89,014,385	86,000,904
Lease liabilities	6.33	44,997	30,487	95,654	858,671	1,029,809	954,658

The amounts included above of floating interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(f) Interest rate benchmark reform

During the year ended 31 December 2023, the Group's bank borrowing of RMB4,590,811,000 which carried interest at 6-months USD LIBOR was transitioned to SOFR. No other terms were amended as part of the transition. The Group accounted for the change to SOFR using the practical expedient in IFRS 9, which allows the Group to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate.

During the year ended 31 December 2023, the Group's loan to WSCR of RMB1,044,690,000 which carried interest at 5% above 3-months USD LIBOR was transitioned to SOFR. No other terms were amended as part of the transition. The Group accounted for the change to SOFR using the practical expedient in IFRS 9, which allows the Group to change the basis for determining the contractual cash flows prospectively by revising the effective interest rate.

46. FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurements of financial instruments

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period for recurring and non-recurring measurement, grouped into Levels 1 to 3 based on the degree to which the fair value is observable in accordance to the Group's accounting policy.

	31 December 2024			
	Level 1 RMB'000	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Financial assets at FVTPL				
Limited partnerships	**–**	**–**	**11,088,589**	**11,088,589**
Financial assets at FVTOCI				
Unlisted equity instruments	**–**	**–**	**84,360**	**84,360**
Listed equity instruments	**1,060,450**	**–**	**–**	**1,060,450**
	1,060,450	**–**	**84,360**	**1,144,810**
Financial liabilities at FVTPL				
Derivative component of convertible bonds	**–**	**–**	**2,109,265**	**2,109,265**

	31 December 2023			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTPL				
Limited partnerships	–	–	11,725,159	11,725,159
Financial assets at FVTOCI				
Unlisted equity instruments	–	–	94,412	94,412
Listed equity instruments	1,306,966	–	–	1,306,966
	1,306,966	–	94,412	1,401,378
Financial liabilities at FVTPL				
Derivative component of convertible bonds	–	–	521,919	521,919

There were no transfers between levels of fair value hierarchy in both years.

46. FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurements of financial instruments (Continued)

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

The valuation techniques and inputs used in the fair value measurements of each financial instrument on a recurring basis are set out below:

Financial instruments	Fair value hierarchy	Fair value as at 31.12.2024 RMB'000	Fair value as at 31.12.2023 RMB'000	Valuation technique and key inputs
Financial asset at FVTOCI – listed equity instrument	Level 1	**1,060,450**	1,306,966	Quoted bid prices in an active market
Financial asset at FVTOCI – unlisted equity instrument	Level 3	**84,360**	94,412	Market approach – Based on P/B multiples of listed entities in similar industry with consideration of marketability discount (Key unobservable inputs: the higher P/B ratio, the higher the fair value)
Financial asset at FVTPL – limited partnerships	Level 3	**11,088,589**	11,725,159	Market approach – Based on P/B or P/S multiples of listed entities in similar industry with consideration of marketability discount (Key unobservable inputs: the higher P/B or P/S ratio, the higher the fair value) Income approach – by reference to the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate (Key unobservable inputs: the higher the discount rate, the lower the fair value)
Derivative component of convertible bonds	Level 3	**2,109,265**	521,919	Binomial option pricing model, the key input are underlying share price, exercise price, risk free rate, volatility and dividend yield. Key unobservable inputs: volatility at 46.32% (2022: 42.46%) (The higher the volatility, the higher the fair value)

46. FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurements of financial instruments (Continued)

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements of financial assets or liabilities on recurring basis:

	Limited partnerships RMB'000	Conversion option derivative of convertible bonds RMB'000	Unlisted equity instrument RMB'000
At 1 January 2023	–	(457,010)	100,000
Total gains (losses)			
– in profit or loss	–	(49,044)	–
– in other comprehensive income	–	–	(5,588)
Transfer from prepayment	2,500,000	–	–
Purchase	9,225,159	–	–
Exchange difference	–	(15,865)	–
At 31 December 2023 and 1 January 2024	11,725,159	(521,919)	94,412
Total gains (losses)			
– in profit or loss	(636,570)	(1,555,892)	–
– in other comprehensive income	–	–	(10,052)
Exchange difference	–	(31,454)	–
At 31 December 2024	11,088,589	(2,109,265)	84,360

46. FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurements of financial instruments (Continued)

Fair values of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider the fair values of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their carrying amounts.

(h) Transfers of financial assets

The following were the Group's financial assets transferred to suppliers by endorsing those bills receivables on a full recourse basis. As the Group has retained the significant risks and rewards which include default risks, relating to these bills receivables, it continues to recognise the full carrying amount of the bills receivables and the corresponding trade payables and other payables in the consolidated statement of financial position. Subsequent to the endorsement, the Group did not retain any rights on the use of the endorsed bills, including the sale, transfer or pledge of the endorsed bills to any other third parties. These financial assets and financial liabilities are carried at amortised cost in the consolidated statement of financial position.

	2024 **RMB'000**	2023 RMB'000
Bills receivables endorsed to suppliers with full recourse (note)		
Carrying amount of transferred assets	**6,090,027**	3,891,534
Carrying amount of trade payables	**(6,090,027)**	(3,891,534)
Net position as at 31 December	**–**	–

Note: The maturity dates of bills receivables have not yet due at the end of the reporting period. As the Group was still exposed to credit risk on these receivables at the end of the reporting period, the cash received from the bills endorsed to the suppliers for which the maturity dates have not yet been due are recognised as current liabilities in the consolidated statement of financial position.

47. ACQUISITION OF SUBSIDIARIES

During the year ended 31 December 2023, the Group had the following acquisition of a subsidiary.

(a) During the year ended 31 December 2023, the Group acquired 80% of the issued capital of Shandong Anrun Energy Co., Ltd * ("Shandong Anrun") 山東安潤能源有限公司 from a limited partnership which the Group invested for consideration of RMB3,009,482,000 and its identifiable assets were mainly property, plant and equipment. The Group elected to apply the optional concentration test in accordance with IFRS 3 Business Combinations. This acquisition had been accounted for as an acquisition of assets rather than a business combination, given that substantially all of the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets (property, plant and equipment).

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	RMB'000
Property, plant and equipment	4,104,881
Right-of-use assets	67,475
Trade receivables	28,336
Prepayments and other receivables	29,099
Inventories	148,624
Cash and cash equivalents	2,506
Trade payables	(67,261)
Other payables and accruals	(551,807)
Non-controlling interests	(752,371)
Total identifiable net assets acquired	3,009,482
Satisfied by:	
Cash consideration	3,009,482

The gross contractual amounts and fair value of trade and other receivables amounted to approximately RMB56,247,000. None of the trade and receivables had been impaired and it is expected that the full amounts can be collected.

Net cash outflow arising on acquisition:

	RMB'000
Cash consideration	3,009,482
Less: cash and cash equivalent acquired	(2,506)
Net cash outflow on acquisition	3,006,976

48. CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES

During the years ended 31 December 2024 and 2023, the Group had the following change in its ownership interests in subsidiaries that do not result in a loss of control.

Acquisition of additional interest in a subsidiary

During the year ended 31 December 2024, the Group acquired an additional 4.04% issued shares of Shandong Hongqiao, increasing its ownership interest to 98.56%. Cash consideration of approximately RMB3,084,009,000 was paid to the non-controlling shareholders. The difference between the carrying amount of 4.04% interest acquired of Shandong Hongqiao and consideration paid was recognised in capital reserve within equity.

Deemed disposal of interest in a subsidiary

During the year ended 31 December 2023, upon additional capital contribution of RMB786,199,000 being made by certain independent investors to Hongchuang, the Group's equity interest in Hongchuang was diluted from 26.64% to 21.72%. The difference between the carrying amount of 4.92% of the net assets of Hongchuang and consideration received was recognised in capital reserve within equity.

49. PLEDGE OF ASSETS

At the end of each reporting period, certain of the Group's assets were pledged to secure banking facilities and borrowings granted to the Group. The aggregate carrying amount of the assets of the Group pledged at the end of each reporting period is as follows:

	2024 **RMB'000**	2023 RMB'000
Restricted bank deposits (note 30)	**2,797,477**	1,826,579
Property, plant and equipment (note 16)	**9,487,773**	10,523,030
Right-of-use assets (note 17)	**916,378**	544,629

50. COMMITMENTS

	2024 **RMB'000**	2023 RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**7,455,180**	5,833,218
Commitments arising from unlisted equity investments in partnerships	**1,408,283**	1,408,283

During the year ended 31 December 2024, the Group agreed to provide performance guarantee for Baowu Simandou Mining (Shanghai) Company Limited ("Baowu Simandou (Shanghai)"), an independent third party, for the funding obligation under the Simandou project entered into between Winning Consortium Simandou Pte. Ltd. ("WCS") and Winning Consortium Simandou Infrastructure Pte. Ltd. ("WCSI"), associates of the Group and being the beneficiary, and Baowu Simandou (Shanghai). Pursuant to the agreements, the Group shall undertake to fund the project on its behalf to an amount not exceed US$1,780,000,000, equivalent to approximately RMB12,607,206,000 (which indirectly include the obligations of the Group for its relevant funding contribution under the Winning Consortium Holdings Pte. Ltd.'s shareholders agreement).

51. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere of the notes to the consolidated financial statements, the Group had the following related parties transactions.

(a) During the year, the directors of the Company are of the view that the following are related parties of the Group:

Name of party	**Relationship**
Weiqiao Chuangye	note ii
Binzhou Weiqiao Technology Industrial Park Company Limited (“Binzhou Industrial Park”) 濱州魏橋科技工業園有限公司 (note i)	note iii
Shandong Minghong Textile Technology Company Limited (“Ming Hong Textile”) 山東銘宏紡織科技有限公司 (note i)	note iii
Binzhou City Construction Investment Development Co. Ltd. (“Binzhou Investment”) 濱州市公建投資開發有限公司 (note i)	note iii
Binzhou City Beihai Weiqiao Solid Waste Disposal Co., Ltd. (“Beihai Solid Waste”) 濱州市北海魏橋固廢處置有限公司 (note i)	note iii
Shandong Ruixin Tendering Co., Ltd (“Shandong Ruixin”) 山東瑞信招標有限公司 (note i)	note iii
Zhanhua Weiqiao Port Logistics Co., Ltd. (“Zhanhua Weiqiao Port Logistics”) 沾化魏橋港口物流有限公司 (note i)	note iii
Weiqiao Textile Co. Ltd (“Weiqiao Textile”) 魏橋紡織股份有限公司	note iii
Shandong Xiangshang Clothing Culture Co., Ltd. (“Shandong Xiangshang”) 山東向尚服飾文化有限公司 (note i)	note iii
Shandong Weiqiao Jiajia Home Textile Co., Ltd. (“Weiqiao Jiajia”) 山東魏橋嘉嘉家紡有限公司 (note i)	note iii
Shandong Anhao Medical Protective Products Technology Co., Ltd. (“Shandong Anhao Medical”) 山東安好醫療防護用品科技有限公司 (note i)	note iii
Weihai Weiqiao Energy Co., Ltd. (“Weihai Weiqiao Energy”) 威海魏橋能源有限公司 (note i)	note iii
Shandong Weiqiao New Energy Co., Ltd. (“Weiqiao New Energy”) 山東魏橋新能源有限公司 (note i)	note iii
Shandong Zhisheng Textile Co., Ltd. (“Zhisheng Textile”) 山東智盛紡織有限公司 (note i)	note iii
Weiqiao Yiwei (Shandong) Equipment Technology Co., Ltd. (“Weiqiao Yiwei”) 魏橋沂威(山東)裝備科技有限公司 (note i)	note iii
Zouping Junlan Property Management Co., Ltd. (“Junlan Property”) 鄒平君瀾物業管理有限公司 (note i)	note iii
Hangqiao New Material Technology (Binzhou) Co., Ltd. (“Hangqiao New Material”) 航橋新材料科技(濱州)有限公司 (note i)	note v
Zouping County Huineng Thermal Power Co., Ltd. (“Zouping County Huineng”) 鄒平縣匯能熱電有限公司 (note i)	note iii
Shandong Hongru Textile Technology Co., Ltd. (“Hongru Textile”) 山東宏儒紡織科技有限公司 (note i)	note iii
PT. Harita Jayaraya (“Harita Jayaraya”)	note iv

51. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Name of party	**Relationship**
Innovation Carbon New Material	note v
GTS	note v
Binneng Energy	note v
Shandong Weiqiao Haiyi Environmental Technology Co., Ltd. (“Weiqiao Haiyi”) 山東魏橋海逸環保科技有限公司 (note i)	note v
Shandong Binhong Photovoltaic New Energy Co., Ltd. (“Shandong Binhong”) 山東濱宏光伏新能源有限公司 (note i)	note v
Winning Consortium Simandou Railway Pte. Ltd. (“WCSR”)	note v
Shandong Phoenix New Material Technology Co., Ltd (“Shandong Phoenix New Material") 山東鳳凰新材料科技有限公司 (note i)	note v
ABM	note v
Weihai Xingheng New Material Technology Co., Ltd. (“Weihai Xingheng”) 威海興恒新材料科技有限公司 (note i)	note v
Shandong Weiqiao Kuaike Environmental Protection Technology Co., Ltd. (“Weiqiao Kuaike”) 山東魏橋快刻環保科技有限公司 (note i)	note v
SMB	note v
Zhanhua Jinsha Water Supply Co., Ltd. (“Jinsha Water Supply”) 沾化金沙供水有限公司 (note i)	An associate of Weiqiao Chuangye
Business Aviation Asia (Cayman) Limited (“Business Aviation”)	An associate of Weiqiao Chuangye
Binzhou Xingye Water Supply Co., Ltd. (“Xingye Water”) 濱州興業供水有限公司 (note i)	An associate of Weiqiao Chuangye
Aihuahai (Weihai) Graphic Imaging Co., Ltd. (“Aihuahai (Weihai)”) 愛華海(威海)圖文影像有限公司 (note i)	An associate of Weiqiao Chuangye
PT. Cita Mineral Investindo, Tbk.	A subsidiary of Harita Jayaraya
PT. Antar Sarana Rekasa	A subsidiary of Harita Jayaraya

Notes:

i. The English translation is for reference only.

ii. Mr. Zhang Bo, the director of the Company, has a significant non-controlling beneficial interest in Weiqiao Chuangye, and is also the director of Weiqiao Chuangye.

iii. Entities controlled by Weiqiao Chuangye.

iv. Harita Jayaraya has a significant non-controlling beneficial interest in PT Well Harvest Winning Alumina Refinery, a subsidiary of the Group.

v. Associate of a subsidiary of the Company.

51. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

During the year, the Group entered into the following transactions with related parties:

	Notes	**2024 RMB'000**	2023 RMB'000
Purchase of water			
Jinsha Water Supply	(a)	**(34,770)**	(26,113)
Weiqiao Chuangye	(b)	**(53,065)**	(45,182)
Xingye Water	(a)	**(2,822)**	–
Industrial waste expenses			
Beihai Solid Waste	(b)	**(80,840)**	(101,394)
Binneng Energy	(f)	**–**	(572)
Purchase of bauxite			
GTS	(f)	**(20,855,435)**	(14,306,886)
PT. Cita Mineral Investindo, Tbk.	(a)	**(987,516)**	(1,307,573)
Purchase of electricity			
Binneng Energy	(f)	**(13,265,800)**	(13,298,361)
Weihai Weiqiao Energy	(f)	**–**	(43,060)
Shandong Binhong	(a)	**(18,910)**	(15,490)
Weiqiao Entrepreneurship	(a)	**(2)**	–
Purchase of anode carbon block			
Innovation Carbon New Material	(f)	**(1,387,715)**	(1,677,340)
Purchase of right-of-use assets			
Weiqiao Chuangye	(a)	**–**	(764,798)
Purchase of steam			
Binneng Energy	(f)	**(571,921)**	(899,482)
Weihai Weiqiao Energy	(f)	**(3,851)**	(3,922)
Purchase of coal			
Binneng Energy	(f)	**–**	(201,542)

51. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

	Notes	2024 RMB'000	2023 RMB'000
Purchase of accessories			
Shandong Xiangshang	(a)	**(481)**	(486)
Weiqiao Jiajia	(a)	**(28)**	(705)
Shandong Anhao Medical	(a)	**(1)**	(161)
Weiqiao Haiyi	(f)	**(260)**	(340)
Weiqiao Chuangye	(a)	**(5)**	(4)
Binneng Energy	(f)	**(211)**	–
Aihuahai (Weihai)	(f)	**(6,680)**	–
Sales of accessories			
Zouping County Huineng	(f)	**1**	–
Sales of steam			
Binzhou Industrial Park	(a)	**14,407**	13,535
Ming Hong Textile	(a)	**4,241**	4,512
Binzhou Investment	(a)	**22,600**	25,957
Zhanhua Weiqiao Port Logistics	(a)	**1,388**	1,219
Zhisheng Textile	(a)	**39**	–
Sales of water			
Zhanhua Weiqiao Port Logistic	(a)	**114**	94
Weiqiao Haiyi	(f)	**1**	5
Sales of electricity			
Shandong Binhong	(a)	**164**	129
Weiqiao Haiyi	(f)	**44**	–
Legal and professional fee			
Shandong Ruixin	(a)	**(21,534)**	(4,145)
Business Aviation	(a)	**(56,111)**	(46,699)
Weiqiao New Energy	(f)	**(25,604)**	–
Fenghuang Mterial Technology	(f)	**(593)**	–
Management fee			
Junlan Property	(a)	**(44)**	–
Lease payment			
Weiqiao Chuangye	(a), (c)	**(40,409)**	(40,409)
Harita Jayaraya	(e), (f)	**(1,236)**	(1,236)
PT. Antar Sarana Rekasa	(d), (f)	**(8,640)**	(8,640)

51. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

	Notes	**2024 RMB'000**	2023 RMB'000
Interest income from associates			
Binneng Energy	(f)	**122,000**	114,780
WCSR	(f)	**177,237**	140,828
ABM	(f)	**225,902**	90,184
Sales of coal			
Binneng Energy	(f)	**34,610**	–
Sales of aluminum products			
Hangqiao New Material	(a)	**13,849**	–
Aihuahai (Weihai)	(a)	**104,412**	–
Weihai Xingheng	(a)	**1,193**	–
Binneng Energy	(a)	**3,865**	–
Weiqiao Yiwei	(a)	**15,507**	–

Notes:

(a) The related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules, however, they are exempt from the disclosure requirements in Chapter 14A of the Listing Rules in accordance with the provisions such as Rule 14.76 of the Listing Rules.

(b) The related party transactions constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules and have complied with the disclosure requirements of Chapter 14A of the Listing Rules.

(c) The Group entered into a twenty-five-year lease in respect of certain properties from Weiqiao Chuangye in 2018. The amount of lease payment made by the Group under the lease is approximately RMB237,000 per month. As at 31 December 2024, the carrying amount of such lease liabilities is approximately RMB37,584,000 (2023: RMB39,015,000).

The Group entered into a twenty-year lease in respect of land from Weiqiao Chuangye in 2023. The amount of lease payment made by the Group under the lease is approximately RMB37,560,000 per year and prepaid each year. As at 31 December 2024, the carrying amount of such lease liabilities is approximately RMB489,641,000 (2023: 507,744,000).

(d) For the year ended 31 December 2022, the Group entered into a lease for 3 years in respect of vessels in Indonesia. The amount of lease payment made by the Group under the lease is approximately RMB720,000 per month. As at 31 December 2024, the carrying amount of such lease liabilities is nil (2023: RMB8,010,000).

(e) For the year ended 31 December 2023, the Group entered into a two-year lease in respect of certain properties in Indonesia. The amount of lease payment made by the Group under the lease is approximately RMB98,000 per month. As at 31 December 2024, the carrying amount of such lease liabilities is nil (2023: RMB1,121,000).

(f) The related party transactions do not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

51. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

The following balances were outstanding at the end of the year:

	2024 RMB'000	2023 RMB'000
Loans to associates		
ABM	**2,738,263**	2,697,999
Binneng Energy	**2,000,000**	2,000,000
WCSR	**3,165,455**	1,770,675
Trade payables		
GTS	**(2,214,397)**	(410,577)
Innovation Carbon New Material	**–**	(238,019)
Jinsha Water Supply	**–**	(2,438)
Weiqiao Chuangye	**(20,070)**	(10,407)
PT. Cita Mineral Investindo, Tbk.	**(81,359)**	(90,322)
Binneng Energy	**(387,009)**	–
Shandong Binhong	**(1,463)**	–
Weiqiao Jiajia	**(22)**	–
Shandong Anhao Medical	**(28)**	–
Prepayments to an associate		
Binneng Energy	**–**	929,989
Interest receivable		
WCSR	**365,203**	183,261
ABM	**111,697**	90,185
Other payable		
Innovation Carbon New Material	**(1,500)**	–
Shandong Phoenix New Material	**(4,288)**	–
Beihai Weiqiao Solid Waste	**(783)**	–
Weiqiao Kuaike	**(2)**	–
SMB	**(24)**	–
Weiqiao Haiyi	**(2,855)**	–

51. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

	2024 RMB'000	2023 RMB'000
Short term employee benefit	**10,103**	9,106
Retirement benefits scheme contributions	**125**	133
	10,228	9,239

Further details of the directors' and chief executive's emoluments are included in note 12.

(c) Guarantees and security

At the end of the reporting period, details of amounts of bank borrowings of the Group guaranteed by a related party were as follows:

	2024 RMB'000	2023 RMB'000
Weiqiao Chuangye	**6,600,000**	3,600,000

52. RETIREMENT BENEFIT SCHEME

As stipulated by rules and regulations in the PRC, subsidiaries in the PRC are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions.

During the year ended 31 December 2024, the total cost charged to consolidated statement of profit or loss and other comprehensive income of approximately RMB401,833,000 (2023: RMB403,727,000) represents contributions payable to these schemes by the Group in respect of the respective accounting period.

During the years ended 31 December 2024 and 2023, no utilisation of forfeited contributions were offset the contributions obligation.

53. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes				
	1 January 2024 RMB'000	Financing cash flows RMB'000	Additions RMB'000	Finance costs incurred RMB'000	Foreign exchange movements RMB'000	Fair value change RMB'000	31 December 2024 RMB'000
Bank borrowings	**39,111,116**	**6,645,316**	**–**	**2,494,067**	**51,930**	**–**	**48,302,429**
Lease liabilities	**954,658**	**(106,364)**	**64,705**	**44,700**	**(217)**	**–**	**957,482**
Liability component of CBs	**1,963,567**	**(113,978)**	**–**	**194,812**	**48,834**	**–**	**2,093,235**
Derivatives component of CBs	**521,919**	**–**	**–**	**–**	**31,454**	**1,555,892**	**2,109,265**
Medium-term debentures and bonds	**11,323,262**	**3,321,239**	**–**	**690,458**	**–**	**–**	**15,334,959**
Short-term debentures and notes	**7,000,000**	**(4,229,161)**	**–**	**229,161**	**–**	**–**	**3,000,000**
Other financial liabilities	**2,965,195**	**(411,996)**	**–**	**177,756**	**–**	**–**	**2,730,955**
Guaranteed notes	**3,511,821**	**(1,720,832)**	**–**	**294,010**	**69,410**	**–**	**2,154,409**
Interest payable	**547,652**	**34,706**	**–**	**–**	**–**	**–**	**582,358**
	67,899,190	**3,418,930**	**64,705**	**4,124,964**	**201,411**	**1,555,892**	**77,265,092**

			Non-cash changes				
	1 January 2023 RMB'000	Financing cash flows RMB'000	Additions RMB'000	Finance costs incurred RMB'000	Foreign exchange movements RMB'000	Fair value change RMB'000	31 December 2023 RMB'000
Bank borrowings	35,527,759	1,118,453	–	2,484,126	(19,222)	–	39,111,116
Lease liabilities	67,916	(109,526)	964,951	30,955	362	–	954,658
Liability component of CBs	1,830,527	(54,813)	–	182,338	5,515	–	1,963,567
Derivatives component of CBs	457,010	–	–	–	15,865	49,044	521,919
Medium-term debentures and bonds	14,467,959	(3,824,459)	–	679,762	–	–	11,323,262
Short-term debentures and notes	3,000,000	3,777,818	–	222,182	–	–	7,000,000
Other financial liabilities	–	2,962,600	–	2,595	–	–	2,965,195
Guaranteed notes	4,843,648	(1,565,530)	–	229,095	4,608	–	3,511,821
Interest payable	486,456	61,196	–	–	–	–	547,652
	60,681,275	2,365,739	964,951	3,831,053	7,128	49,044	67,899,190

54. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Plant and equipment		**36**	36
Right-of-use assets		**5,781**	10,589
Investments in subsidiaries		**11,207,401**	11,199,239
Other receivables		**–**	1,770,675
Amounts due from subsidiaries	(i)	**10,067,880**	10,915,651
Financial assets at fair value through other comprehensive income		**737,107**	878,641
		22,018,205	24,774,831
Current assets			
Trade receivables		**503,154**	44,030
Prepayment and other receivables		**371,845**	189,869
Amounts due from subsidiaries	(i)	**599,942**	1,008,911
Amount due from immediate holding company	(ii)	**27**	27
Cash and cash equivalents		**362,905**	408,362
		1,837,873	1,651,199
Current liabilities			
Trade payables		**1,998**	44,030
Other payables		**129,034**	69,673
Lease liabilities		**5,999**	4,769
Bank borrowings – due within one year		**964,817**	996,974
Guaranteed notes – due within one year		**2,154,409**	3,511,821
		3,256,257	4,627,267
Net current liabilities		**(1,418,384)**	(2,976,068)
Total assets less current liabilities		**20,599,821**	21,798,763
Non-current liabilities			
Lease liabilities		**–**	5,999
Amount due to a subsidiary	(ii)	**9,460,632**	12,060,856
Bank borrowings – due after one year		**1,658,043**	–
Liability component of convertible bonds – due after one year		**2,093,235**	1,963,567
Derivative component of convertible bonds – due after one year		**2,109,265**	521,919
		15,321,175	14,552,341
Net assets		**5,278,646**	7,246,422
Capital and reserves			
Share capital		**618,881**	618,881
Reserves	(iii)	**4,659,765**	6,627,541
Total equity		**5,278,646**	7,246,422

54. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(i) The amounts due from subsidiaries with the balance of approximately RMB1,674,400,000 (2023: RMB2,916,178,000) are unsecured, carrying interest at fixed rate ranged from 5% to 8% (2023: ranged from 5% to 8%) per annum. The balances of approximately RMB594,100,000 (2023: RMB1,008,911,000) and RMB1,080,300,000 (2023: RMB1,907,267,000) are repayable in April 2025 and January 2026 (2023: April 2024 and December 2024) respectively.

The remaining balances are unsecured, interest-free and the directors of the Company do not expect repayments on these balances within next twelve months from the end of the reporting period and the balances were classified as non-current. The fair value of interest-free portion is estimated at approximately RMB8,993,422,000 (2023: RMB9,008,384,000) by using the effective interest rate of 4.9% per annum for the years ended 31 December 2024 and 2023.

(ii) The amounts due from (to) immediate holding company/a subsidiary are unsecured, interest-free. The directors of the Company do not expect repayments from immediate holding company within next twelve months from the end of the reporting period and the balance of payable to a subsidiary will only be due after one year from the end of the reporting period.

(iii) Movement in reserves

	Share premium RMB'000	Share reserve [a] RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2023	25,040,832	3,193,854	(22,066,261)	6,168,425
Loss and total comprehensive expense for the year	–	–	4,245,228	4,245,228
Dividend paid	–	–	(3,786,112)	(3,786,112)
At 31 December 2023 and 1 January 2024	**25,040,832**	**3,193,854**	**(21,607,145)**	**6,627,541**
Profit and total comprehensive income for the year	**–**	**–**	**6,499,823**	**6,499,823**
Dividend paid	**–**	**–**	**(8,467,599)**	**(8,467,599)**
At 31 December 2024	**25,040,832**	**3,193,854**	**(23,574,921)**	**4,659,765**

a. Share reserve represented capitalisation of amount due to a related party in previous year.

55. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries as at 31 December 2024 and 2023 are as follows:

Name of subsidiaries	Place and date of incorporation/ establishment	Class of shares held	Paid up issued/ registered ordinary share capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Group		Principal activities
				Directly		Indirectly				
				2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	
China Hongqiao Investment Limited	BVI	Ordinary Shares	US$200	**100**	100	**-**	–	**100**	100	Investment holding
Hongqiao Investment (Hong Kong) Limited ("Hongqiao Investment")	Hong Kong	Ordinary Shares	HK$10,100	**-**	–	**100**	100	**100**	100	Investment holding
PT Well Harvest Winning Alumina Refinery	Jakarta, Indonesia	Ordinary Shares	IDR2,334,000,000,000	**61**	61	**-**	–	**61**	61	Manufacture and sale of alumina
Hongqiao (HK) International Trading Limited	Hong Kong	Ordinary Shares	HK$10,000,000	**-**	–	**100**	100	**100**	100	Inactive
Shandong Hongqiao	PRC	Ordinary Shares	RMB11,759,333,009	**-**	–	**98.56**	94.52	**98.56**	94.52	Manufacture and sale of aluminum products
Zouping Hongli Thermal Power Co., Ltd. * 鄒平縣宏利熱電有限公司	PRC	Ordinary Shares	RMB1,817,065,373	**-**	–	**98.56**	94.52	**98.56**	94.52	Production and sale of electricity
Zhouping Hongmao New Material Technology Co., Ltd.* 鄒平縣宏茂新材料科技有限公司	PRC	Ordinary Shares	RMB1,500,000,000	**-**	–	**93.92**	90.07	**93.92**	90.07	Manufacture and sale of aluminum products
Zhouping Hongzheng New Material Technology Co., Ltd* 鄒平縣宏正新材料科技有限公司	PRC	Ordinary Shares	RMB700,000,000	**-**	–	**93.92**	90.07	**93.92**	90.07	Manufacture and sale of aluminum products
Shandong Weiqiao	PRC	Ordinary Shares	RMB13,000,000,000	**-**	–	**98.56**	94.52	**98.56**	94.52	Manufacture and sale of aluminum products
Zouping County Hongxu Thermal Power Co., Ltd.,* ("Hongxu Power") 鄒平縣宏旭熱電有限公司	PRC	Ordinary Shares	RMB8,200,000,000	**-**	–	**98.56**	94.52	**98.56**	94.52	Production and sale of electricity
Zouping Huiju New Material Technology Co., Ltd.* 鄒平縣匯聚新材料科技有限公司	PRC	Ordinary Shares	RMB10,000,000	**-**	–	**98.56**	94.52	**98.56**	94.52	Research and development, sale of bauxite, manufacture and sale of aluminum products

55. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2024 and 2023 are as follows: (Continued)

Name of subsidiaries	Place and date of incorporation/ establishment	Class of shares held	Paid up issued/ registered ordinary share capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Group		Principal activities
				Directly		Indirectly				
				2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	
Zouping Huicai New Material Technology Co., Ltd.* 鄒平縣匯才新材料科技有限公司	PRC	Ordinary Shares	RMB20,000,000	-	–	98.56	94.52	98.56	94.52	Research and development, sale of bauxite, manufacture and sale of aluminum products
Zouping Huisheng New Material Technology Co., Ltd.* 鄒平縣匯盛新材料科技有限公司	PRC	Ordinary Shares	RMB5,900,000,000	-	–	93.92	90.07	93.92	90.07	Research and development, sale of bauxite, manufacture and sale of aluminum products
Zouping Huimao New Material Technology Co., Ltd.* 鄒平縣匯茂新材料科技有限公司	PRC	Ordinary Shares	RMB5,500,000,000	-	–	93.92	90.07	93.92	90.07	Research and development, sale of bauxite, manufacture and sale of aluminum products
Huimin Huihong New Material Co., Ltd.* 惠民縣匯宏新材料有限公司	PRC	Ordinary Shares	RMB5,000,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Binzhou Zhanhua Huihong New Material Co., Ltd.* 濱州市沾化區匯宏新材料有限公司	PRC	Ordinary Shares	RMB3,000,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Yangxin New Material Co., Ltd.* 陽信縣匯宏新材料有限公司	PRC	Ordinary Shares	RMB1,000,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Binzhou Beihai New Material Co., Ltd.* 濱州北海匯宏新材料有限公司	PRC	Ordinary Shares	RMB3,500,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Binzhou Honguo New Material* 濱州市宏諾新材料有限公司	PRC	Ordinary Shares	RMB1,500,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Shandong Hongqiao Financial Leasing Co., Ltd.* 山東宏橋融資租賃有限公司	PRC	Ordinary Shares	US$300,000,000	-	–	100	100	100	100	Financial leasing
Shandong Hongfan Industrial Co., Ltd.* 山東宏帆實業有限公司	PRC	Ordinary Shares	RMB1,000,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products

55. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2024 and 2023 are as follows: (Continued)

Name of subsidiaries	Place and date of incorporation/ establishment	Class of shares held	Paid up issued/ registered ordinary share capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Group		Principal activities
				Directly		Indirectly				
				2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	
Binzhou Hongzhan Aluminum Technology Co., Ltd.* 濱州宏展鋁業科技有限公司	PRC	Ordinary Shares	RMB200,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Zouping Hongfa Aluminum Technology Co., Ltd.* 鄒平宏發鋁業科技有限公司	PRC	Ordinary Shares	RMB700,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Shandong Hongbin International Business Co., Ltd.* 山東宏濱國際商貿有限公司	PRC	Ordinary Shares	RMB30,000,000	-	–	98.56	94.52	98.56	94.52	Manufacture and sale of aluminum products
Beihai Xinhe	PRC	Ordinary Shares	RMB2,100,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Hongchuang (Note i)	PRC	Ordinary Shares	RMB926,400,000	-	–	22.65	21.72	22.65	21.72	Manufacture and sale of aluminum products
Chongqing Weiqiao Financial	PRC	Ordinary Shares	RMB500,000,000	-	–	98.56	94.52	98.56	94.52	Provision of financing
Yunnan Hongtai New Material Co., Ltd* 雲南宏泰新型材料有限公司	PRC	Ordinary Shares	RMB12,000,000,000	-	–	70.44	67.55	70.44	67.55	Manufacture and sale of aluminum products
Shandong Hongtuo	PRC	Ordinary Shares	RMB7,870,325,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Yunnan Hongqiao New Material Co., Ltd.* 雲南宏橋新型材料有限公司	PRC	Ordinary Shares	RMB1,000,000,000	-	–	93.92	90.07	93.92	90.07	Manufacture and sale of aluminum products
Shandong Hongxing Light Alloy Co., Ltd.* 山東宏星輕合金有限公司 (formerly known as Shandong Weiqiao Lightweight Materials Co., Ltd.)	PRC	Ordinary Shares	RMB100,000,000	-	–	98.56	94.52	98.56	94.52	Manufacture and sale of aluminum products

* For identification purpose only

Note:

i: This entity is considered to be a subsidiary of the Company despite the Company only indirectly holds 22.65% (2023: 21.72%) equity interest therein as the Group holds significantly more voting rights than any other voting right holders or organised group of voting right holders, and the other shareholdings are widely dispersed, so the Group has the control over Hongchuang.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

55. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

The following subsidiaries had issued approximately RMB18,334,959,000 (2023: RMB18,323,262,000) of debt securities at the end of the year:

	Total and held by third parties	
	2024 RMB'000	2023 RMB'000
Shandong Hongqiao	**18,334,959**	16,320,053
Shandong Weiqiao	**–**	2,003,209

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. All these subsidiaries operate in the PRC, Singapore, BVI, Hong Kong and Guinea (2023: the PRC, Singapore, BVI, Hong Kong and Guinea). The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries	
		2024	2023
Sales of aluminum products	The PRC	**27**	25
Sales of scrap materials	The PRC	**1**	1
Delivery service	The PRC	**1**	1
Reclamation and utilisation of waste	The PRC	**7**	7
Wholesale of bauxite, alumina and aluminum products	The PRC	**11**	11
Sales of alumina	Singapore	**1**	1
Sales of alumina	BVI	**1**	1
Sales of alumina	Guinea	**1**	1
Sales of electricity	The PRC	**15**	15
Technology promotion and application service industry	The PRC	**5**	5
Investment management	The PRC	**1**	1
Investment holdings	The PRC	**4**	4
Others	Hong Kong	**1**	1
Others	The PRC	**14**	14
		90	88

55. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interest held by non-controlling interests		Proportion of voting rights held by non-controlling interests		(Loss) profit attributable to non-controlling interests RMB'000		Accumulated non-controlling interests RMB'000	
		2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Hongchuang and its subsidiaries	PRC	**77.02%**	77.02%	**77.02%**	77.02%	**(53,275)**	(113,226)	**838,307**	891,582

Summarised financial information in respect of the Group's subsidiaries that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before intergroup eliminations.

Hongchuang and its subsidiaries

	2024 RMB'000	2023 RMB'000
Current assets	**1,446,215**	1,402,952
Non-current assets	**1,180,725**	1,290,317
Current liabilities	**(1,421,303)**	(1,411,475)
Non-current liabilities	**(117,209)**	(124,196)
Equity attributable to owners of the Company	**250,121**	266,016
Non-controlling interest	**838,307**	891,582
Revenue	**3,486,223**	2,698,438
Expenses	**(3,555,393)**	(2,845,446)
Loss for the year	**(69,170)**	(147,008)
Loss and total comprehensive expense attributable to owners of the Company	**(15,895)**	(33,782)
Loss and total comprehensive expense attributable to the non-controlling interest	**(53,275)**	(113,226)
Loss and total comprehensive expense for the year	**(69,170)**	(147,008)
Net cash outflows from operating activities	**(18,129)**	(212,606)
Net cash outflows from investing activities	**(24,921)**	(455,768)
Net cash inflows from financing activities	**188,139**	581,868
Net cash inflows (outflows)	**145,089**	(86,506)

56. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2024, the Group entered into new arrangement in respect of premises (2023: premises and vessels). Right-of-use assets and lease liabilities of approximately RMB64,705,000 (2023: RMB964,951,000) were recognised at the commencement of the lease.

During the year ended 31 December 2023, dividend was declared by one of its associate and the Group's entitlement is approximately RMB2,843,867,000. As at 31 December 2023, balance of RMB2,697,999,000 remained unsettled and it was assigned and included as loan to associate.

57. EVENT AFTER THE REPORTING PERIOD

As set out in the announcement of the Company dated 6 January 2025, the board of directors of Hongchuang, an indirect subsidiary of the Company, resolved to approve the preliminary plan for Hontron Holding to acquire 100% equity interests in Shandong Hongtuo, an indirect subsidiary of the Company, by issuance of shares held by the transaction parties. Upon completion of the transaction, the shareholding proportion of the Company in Hongchuang will increase accordingly, and both Hongchuang and Shandong Hongtuo (through Hongchuang) will continue to be subsidiaries of the Group.

As set out in the announcement of the Company dated 6 January 2025, the Group issued 7.05% guaranteed notes with the aggregate principal amount of US$330,000,000 (equivalent to approximately RMB2,398,176,000) which were guaranteed by certain subsidiaries of the Group.

Save as disclosed above, there is no material event undertaken by the Company or by the Group after the end of the reporting period and up to the date of this annual report.