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CENTRAL NEW ENERGY HOLDING GROUP LIMITED

中環新能源控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1735)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- The Group's revenue for the Reporting Year amounted to approximately HK\$6,032.0 million (for the Previous Reporting Year: approximately HK\$4,028.3 million).
- Profit attributable to the owners of the Company for the Reporting Year amounted to approximately HK\$106.4 million (for the Previous Reporting Year: approximately HK\$66.3 million).
- Basic and diluted earnings per Share for the Reporting Year amounted to approximately HK cents 2.52 (for the Previous Reporting Year: approximately HK cents 1.57).
- Profit before interest, taxes, depreciation and amortisation for the Reporting Year amounted to approximately HK\$239.9 million (for the Previous Reporting Year: approximately HK\$125.4 million).
- The Board did not recommend the payment of a final dividend for the Reporting Year (for the Previous Reporting Year: Nil).

The board (the “**Board**”) of directors (“**Directors**”) of Central New Energy Holding Group Limited (the “**Company**”) is pleased to present the audited consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Year**”) together with the comparative figures for the year ended 31 December 2023 (the “**Previous Reporting Year**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	6,032,026	4,028,299
Direct costs		(5,904,261)	(3,855,486)
Gross profit		127,765	172,813
Other income and net gains	3	182,699	18,811
(Loss)/gain on fair value changes of investment properties		(10,044)	5,185
Gain on disposal of investment properties		–	1,637
Selling expenses		(19,992)	(9,448)
Administrative and other operating expenses		(172,760)	(80,955)
Finance costs		(51,385)	(25,190)
Profit before income tax	4	56,283	82,853
Income tax expense	5	(2,185)	(11,564)
Profit for the year		54,098	71,289

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Other comprehensive (expense)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
— Exchange differences arising on translation of foreign operations		(48,904)	(15,668)
— Reclassification of cumulative translation reserve upon disposal of foreign operations		13,850	(78)
		<u>(35,054)</u>	<u>(15,746)</u>
Other comprehensive expense for the year, net of tax		(35,054)	(15,746)
		<u>(35,054)</u>	<u>(15,746)</u>
Total comprehensive income for the year		19,044	55,543
		<u>19,044</u>	<u>55,543</u>
Profit/(loss) for the year attributable to:			
Owners of the Company		106,393	66,323
Non-controlling interests		(52,295)	4,966
		<u>54,098</u>	<u>71,289</u>
		54,098	71,289
		<u>54,098</u>	<u>71,289</u>
Total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		90,031	54,125
Non-controlling interests		(70,987)	1,418
		<u>19,044</u>	<u>55,543</u>
		19,044	55,543
		<u>19,044</u>	<u>55,543</u>
		HK Cents	HK Cents
Earnings per share attributable to owners of the Company			
— Basic and diluted earnings per share	6	2.52	1.57
		<u>2.52</u>	<u>1.57</u>

Details of dividends are disclosed in Note 7.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,306,181	823,590
Right-of-use assets		11,516	1,683
Investment properties		–	222,310
Intangible assets		530	2,989
Deposits	8	117,333	330,996
Deposit and prepayment for life insurance policy		–	3,374
Deferred tax assets		–	32
		<hr/> 1,435,560	<hr/> 1,384,974
Current assets			
Financial asset at fair value through profit or loss		3	8
Properties available for sale		–	36,200
Contract assets		–	92,705
Trade and other receivables	8	1,743,307	1,229,460
Inventories		157,145	209,772
Tax recoverable		49,850	634
Pledged bank deposits		824,863	405,159
Cash and bank balances		265,887	137,372
		<hr/> 3,041,055	<hr/> 2,111,310
Total assets		<hr/> 4,476,615	<hr/> 3,496,284
EQUITY			
Capital and reserves			
Share capital		2,640	2,640
Reserves		1,114,116	847,890
		<hr/> 1,116,756	<hr/> 850,530
Equity attributable to owners of the Company		1,116,756	850,530
Non-controlling interests		422,918	460,705
		<hr/> 1,539,674	<hr/> 1,311,235
Total equity		<hr/> 1,539,674	<hr/> 1,311,235

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		10,397	275
Liabilities for long service payments		–	1,104
Borrowings		311,529	288,156
Deferred tax liabilities		–	7,185
		<u>321,926</u>	<u>296,720</u>
Current liabilities			
Contract liabilities		50,605	65,269
Trade and other payables	9	872,798	967,744
Lease liabilities		1,192	1,601
Borrowings		1,668,775	833,149
Tax payables		21,645	20,566
		<u>2,615,015</u>	<u>1,888,329</u>
Total liabilities		<u>2,936,941</u>	<u>2,185,049</u>
Total equity and liabilities		<u>4,476,615</u>	<u>3,496,284</u>
Net current assets		<u>426,040</u>	<u>222,981</u>
Total assets less current liabilities		<u>1,861,600</u>	<u>1,607,955</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 March 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares (the “**Shares**”) have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 29 March 2018. As at 31 December 2024, its parent and ultimate holding company is Central Culture Resource Group Limited, a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability and wholly-owned by Mr. Yu Zhuyun (“**Mr. Yu**”), the controlling shareholder of the Company.

The Company’s registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, and the Company’s principal place of business in Hong Kong is Unit 2102–03 & 10–12, 21/F, K. Wah Centre, 191 Java Road, North Point, Hong Kong. The Company is an investment holding company. The Group is principally engaged in the business of (i) new energy and engineering, procurement, and construction (“**EPC**”); (ii) green building and construction related business in Hong Kong and the People’s Republic of China (the “**PRC**”); (iii) smart energy management services; (iv) health and wellness; and (v) food and beverage (“**F&B**”) supply chain.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the current year and prior year presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of the consolidated financial statements in accordance with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2.2 Changes in accounting policies and disclosures

(i) Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liabilities in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

(ii) New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 18	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvement to HKFRS Accounting Standards — Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION

Revenue, other income and net gains recognised during the current year and prior year are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue		
New energy and EPC	4,127,452	2,119,585
Green building and construction related business	908,398	1,349,387
Smart energy management services	65,863	16,055
Health and wellness	925,256	409,875
F&B supply chain	5,057	133,397
	<u>6,032,026</u>	<u>4,028,299</u>
Other income and net gains/(loss)		
Interest income	9,864	1,381
(Loss)/gain on fair value change of financial assets at fair value through profit or loss	(5)	1
Gain on disposal of financial assets at fair value through profit or loss	–	81
Net gain on disposal of subsidiaries	52,901	11,745
Net gain on deregistration of subsidiary	148	–
Net loss on disposal of property, plant and equipment	(908)	–
Government grants	116,626	1,998
Operating lease income	3,074	1,814
Sundry income	999	1,791
	<u>182,699</u>	<u>18,811</u>

Segment information

The Group's operating segments are determined based on information reported to the board of directors of the Company, being the chief operating decision-maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance.

Specifically, the Group's reportable and operating segments under HKFRS 8 Operating Segments are as follows:

- (i) New energy and EPC — manufacturing and sales of photovoltaic products and EPC;
- (ii) Green building and construction related business — provision of piling works, excavation and lateral support works, and pile cap construction and building works; development and sale of properties and holding of properties for investment and leasing purposes; provision of property management services, which include security, cleaning, greening, gardening, repair and maintenance; and supplying of construction materials;

- (iii) Smart energy management services — provision of smart energy management system, which include sales and installation of energy-saving lighting, energy-saving equipment and information technology development services;
- (iv) Health and wellness — provision of health and wellness services, which include the healthcare consulting and sales of healthcare products and healthy food; and
- (v) F&B supply chain — provision of agriculture products, food and beverage materials supply chain business.

Segment revenue and results

The following is an analysis of the Group's revenue and result by operating segments:

For the year ended 31 December 2024

	New energy and EPC <i>HK\$'000</i>	Green building and construction related business <i>HK\$'000</i>	Smart energy management services <i>HK\$'000</i>	Health and wellness <i>HK\$'000</i>	F&B supply chain <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE						
Revenue from external customers	4,127,452	908,398	65,863	925,256	5,057	6,032,026
RESULT						
Segment profit/(loss)	84,922	(7,260)	162	1,171	47	79,042
Other income and net gains						67,145
Unallocated corporate expenses						(38,519)
Finance costs						(51,385)
Profit before income tax						56,283

For the year ended 31 December 2023

	New energy and EPC <i>HK\$'000</i>	Green building and construction related business <i>HK\$'000</i>	Smart energy management services <i>HK\$'000</i>	Health and wellness <i>HK\$'000</i>	F&B supply chain <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE						
Revenue from external customers	<u>2,119,585</u>	<u>1,349,387</u>	<u>16,055</u>	<u>409,875</u>	<u>133,397</u>	<u>4,028,299</u>
RESULT						
Segment profit	<u>53,366</u>	<u>41,308</u>	<u>95</u>	<u>6</u>	<u>9,777</u>	104,552
Other income and net gains						18,811
Unallocated corporate expenses						(15,320)
Finance costs						<u>(25,190)</u>
Profit before income tax						<u>82,853</u>

Segment revenue reported above represents revenue generated from external customers. Inter-segment revenue is charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) from each segment without allocation of certain of other income and net gains, unallocated corporate expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Segment assets		
New energy and EPC	2,952,469	2,303,966
Green building and construction related business	33,668	557,371
Smart energy management services	71,690	24,404
Health and wellness	3,107	94
F&B supply chain	7,843	33,220
	<hr/>	<hr/>
Total segment assets	3,068,777	2,919,055
Unallocated corporate assets	1,407,838	577,229
	<hr/>	<hr/>
Consolidated total assets	<u>4,476,615</u>	<u>3,496,284</u>
Segment liabilities		
New energy and EPC	2,705,210	1,772,653
Green building and construction related business	2,802	264,391
Smart energy management services	73,641	18,225
Health and wellness	205	1,236
F&B supply chain	–	18,811
	<hr/>	<hr/>
Total segment liabilities	2,781,858	2,075,316
Unallocated corporate liabilities	155,083	109,733
	<hr/>	<hr/>
Consolidated total liabilities	<u>2,936,941</u>	<u>2,185,049</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than deposit and prepayment for life insurance policy, certain of right-of-use assets, deferred tax assets, tax recoverable, pledged bank deposits, cash and bank balance and other unallocated corporate assets; and
- all liabilities are allocated to operating segments other than tax payables, certain of lease liabilities, deferred tax liabilities, liabilities for long service payments and other unallocated corporate liabilities.

4. PROFIT BEFORE INCOME TAX

Profit before taxation has been arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditors' remuneration	1,580	1,580
Depreciation of property, plant and equipment	140,482	17,254
Depreciation of right-of-use assets	1,599	1,442
Reversal of impairment losses on trade receivables	(3,704)	(23,913)
Provision for impairment losses on bills receivables	–	832
Provision for impairment losses on contract assets	–	744
Reversal of impairment losses on other receivables and deposits	–	(1,488)
Rental expense from short-term leases	20,045	793
Cost of properties and other inventories sold recognised as an expense	5,575,515	3,616,051
Staff costs (including directors' emoluments)	184,483	52,385

5. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The PRC Enterprise Income Tax		
— Current tax	2,153	11,953
Deferred tax	32	(389)
Income tax expense	2,185	11,564

6. EARNINGS PER SHARE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year attributable to owners of the Company	106,393	66,323
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	4,224,000	4,224,000
	<i>HK cent</i>	<i>HK cent</i>
Basic earnings per share	2.52	1.57

No diluted earnings per share is presented for both years as there was no potential ordinary share outstanding.

7. DIVIDENDS

No dividend was proposed or paid by the Board for the year ended 31 December 2024 (2023: Nil).

8. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	959,165	865,759
Less: Provision for impairment losses on trade receivables	<u>(2,292)</u>	<u>(11,392)</u>
	<u>956,873</u>	<u>854,367</u>
Bills receivables (<i>note c</i>)	101,897	89,365
Less: Provision for impairment losses on bills receivables	<u>(794)</u>	<u>(824)</u>
	<u>101,103</u>	<u>88,541</u>
Sub-total	<u>1,057,976</u>	<u>942,908</u>
Other receivables, deposits and prepayments	802,776	617,817
Less: Provision for impairment losses on other receivables and deposits	<u>(112)</u>	<u>(269)</u>
	<u>802,664</u>	<u>617,548</u>
Total	<u><u>1,860,640</u></u>	<u><u>1,560,456</u></u>
Analysed as:		
Non-current	117,333	330,996
Current	<u>1,743,307</u>	<u>1,229,460</u>
	<u><u>1,860,640</u></u>	<u><u>1,560,456</u></u>

Notes:

- (a) The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The credit period granted to customers is generally 7 to 270 days (2023: 7 to 270 days).
- (b) The trade receivables included amounts due from related companies of approximately HK\$141,497,000 of trading in nature. The ageing analysis of the trade receivables (excluding bills receivables) based on payment certificate date/invoice date is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–30 days	767,746	638,078
31–60 days	52,315	18,414
61–90 days	100,496	107,292
Over 90 days	38,608	101,975
	<u>959,165</u>	<u>865,759</u>

- (c) Bills receivables are received from customers under ordinary course of business. All of the bills receivables are bank acceptance notes with a maturity period within six months.

9. TRADE AND OTHER PAYABLES

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	799,335	897,455
Accruals and other payables	73,463	70,289
	<u>872,798</u>	<u>967,744</u>

Notes:

- (a) Payment terms granted by suppliers are generally 7 to 270 days (2023: 7 to 270 days) from the invoice date of the relevant purchases.
- (b) The ageing analysis of trade payables based on the invoice date is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–30 days	609,431	511,033
31–60 days	115,741	167,300
61–90 days	24,019	78,052
Over 90 days	50,144	141,070
	<u>799,335</u>	<u>897,455</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

To align with evolving market dynamics and accelerate its transition to sustainable new energy business, the Group would implement a strategic reallocation of resources to prioritise renewable energy initiatives. This realignment will involve gradually scaling back its green construction operations while intensifying investments in emerging energy sectors.

Since 2022, the Company has invested in the high-efficiency photovoltaic (“PV”) N-type battery and the advanced PV component in Fengtai County. As at the end of the Reporting Year, phase I and phase II construction of the 3GW PV component and the 6GW PV battery project were completed and put into production in 2024. Phase III construction of the 7.5GW PV battery and the 3.5GW component project is expected to be completed by the end of 2026.

The transition would include but is not limited to: (i) redirecting capital, research and development efforts and human resources to strengthen capabilities in renewable energy technologies; (ii) establishing new energy solutions as the Group’s core growth driver while maintaining commitments to existing green construction projects; and (iii) implementing a phased approach to scale down green construction business line in 5-10 years.

The Group is devoted to the concept of green development through PV power generation system and energy storage technology to create an energy-saving and sustainable living environment.

During the Reporting Year, the Group was principally engaged in the business of (i) new energy and EPC; (ii) green building and construction related business; (iii) smart energy management services; (iv) health and wellness; and (v) F&B supply chain. The Group seeks to achieve synergistic value amongst the segments in order to obtain higher returns and greater business opportunities for the Group.

New energy and EPC

During the Reporting Year, the new energy and EPC segment recorded a revenue of approximately HK\$4,127.5 million (Previous Reporting Year: approximately HK\$2,119.6 million), which accounted for approximately 68.4% (Previous Reporting Year: approximately 52.6%) of the Group’s total revenue. The increase was mainly driven by robust sales of PV products, supported by the full capacity of the 3GW PV component and the 6GW PV battery production during the Reporting Year.

Green building and construction related business

During the Reporting Year, the revenue from green building and construction related business segment was approximately HK\$908.4 million (Previous Reporting Year: approximately HK\$1,349.4 million), which accounted for approximately 15.1% (Previous Reporting Year: approximately 33.5%) of the Group's total revenue. The decrease reflected the Group's strategic shift to allocate more resources in the new energy and EPC segment during the Reporting Year.

Smart energy management services

During the Reporting Year, the revenue in smart energy management services segment was approximately HK\$65.9 million (Previous Reporting Year: approximately HK\$16.0 million), which accounted for approximately 1.1% (Previous Reporting Year: approximately 0.4%) of the Group's total revenue. The increase was mainly due to additional smart energy-saving lighting works for projects in Yangzhou and Hefei in the PRC during the Reporting Year.

Health and wellness

Health and wellness business includes provision of health and wellness services, which include the healthcare consulting and supplying of healthcare products, green food and beauty products. During the Reporting Year, the revenue in health and wellness business was approximately HK\$925.3 million (Previous Reporting Year: approximately HK\$409.9 million), which accounted for approximately 15.3% (Previous Reporting Year: approximately 10.2%) of the Group's total revenue. The increase was mainly due to growth in sales volume of green food products during the Reporting Year.

F&B supply chain

F&B supply chain includes supply chain services of agriculture products, frozen meats and other F&B materials. During the Reporting Year, the revenue from F&B supply chain segment was approximately HK\$5.1 million (Previous Reporting Year: approximately HK\$133.4 million), which accounted for approximately 0.1% (Previous Reporting Year: approximately 3.3%) of the Group's total revenue. The decrease is consistent with the Group's business strategy to put more resources in the new energy and EPC segment during the Reporting Year.

FUTURE PLANS AND PROSPECTS

The Group will continue to seek new green energy business opportunities, and to develop its high-efficiency PV N-type battery and advanced PV component supply business in Fengtai County and Tongcheng City. In particular, as disclosed in the announcements of the Company respectively dated 28 June 2024 and 12 July 2024 (collectively, the “**Announcements**”) as well as its circular dated 25 November 2024 (the “**Circular**”) in relation to, among others, the entering into of four equipment lease

agreements, under which the equipment to be leased are to be used mainly for the purpose of production of PV battery in Tongcheng City, and is crucial to the Group's business in manufacturing and sales of PV battery.

Phase III construction of the 7.5GW PV battery and 3.5GW component project in Fengtai County is expected to be completed and put into production in the fourth quarter of 2026.

Phase I construction of 6GW battery project in Tongcheng City is expected to be completed in the second quarter of 2025 and expected to increase to a total capacity of 12GW in the fourth quarter of 2026.

Subsequent to the entering into by the Group of certain framework agreements for cooperation in project development, industrial investment, construction, operation and maintenance in the field of new energy as referred to in the section headed "Future Plans and Prospects" in the interim report published by the Company on 27 September 2024, the Group has also entered into a cooperation framework agreement for strategic cooperation to commence, develop and invest in new energy and PV power station related project(s) throughout Anhui province, thereby allowing the Group to leverage its experience and capabilities in development and operation of new energy projects. For details, please refer to the announcement of the Company dated 8 July 2024.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Reporting Year amounted to approximately HK\$6,032.0 million, i.e. about 49.8% more than that of approximately HK\$4,028.3 million for the Previous Reporting Year. The improvement was primarily due to the net increase in revenue from the new energy and EPC segment, which amounted to approximately HK\$4,127.5 million, which was driven by strong growth in sales volume of N-Type battery and PV components during the Reporting Year (Previous Reporting Year: approximately HK\$2,119.6 million).

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
New energy and EPC	4,127,452	2,119,585
Green building and construction related business	908,398	1,349,387
Smart energy management services	65,863	16,055
Health and wellness	925,256	409,875
F&B supply chain	5,057	133,397
	<u>6,032,026</u>	<u>4,028,299</u>

Gross Profit and Gross Profit Margin

The Group's gross profit for the Reporting Year amounted to approximately HK\$127.8 million, representing a decrease of approximately 26.1% as compared with approximately HK\$172.8 million for the Previous Reporting Year. The decrease was mainly due to the lower profit margin in sales of N-Type battery and PV components during the Reporting Year in the new energy and EPC segment.

Other Income and Gains

The Group's other income and gains for the Reporting Year amounted to approximately HK\$182.7 million, representing an increase of approximately 871.2% as compared with approximately HK\$18.8 million for the Previous Reporting Year. The increase was mainly due to the increase in government grants during the Reporting Year.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses for the Reporting Year amounted to approximately HK\$172.8 million, representing an increase of approximately 113.4% as compared with approximately HK\$81.0 million for the Previous Reporting Year. The increase was in line with the full capacity of the 3GW component and the 6GW battery production during the Reporting Year.

Income Tax Expense

The Group's income tax expenses for the Reporting Year amounted to approximately HK\$2.2 million (Previous Reporting Year: approximately HK\$11.6 million). Such decrease was due to the tax incentive available for and tax rebate received by the Group during the Reporting Year.

Net Profit

The Group reported a net profit for the Reporting Year of approximately HK\$54.1 million as compared to the net profit of approximately HK\$71.3 million for the Previous Reporting Year. The decrease in net profit was primarily attributable to (i) the lower profit margin in sales of N-Type battery and PV components; and (ii) the increase in administrative and other operating expenses as a result of increase in production capacity of PV components and battery production for the Reporting Year as compared with the Previous Reporting Year.

Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”)

Non-HKFRS measures are to supplement the Group’s financial results which are presented in accordance with HKFRSs. EBITDA is used as an additional financial measure. The Group believes that non-HKFRS measures provide useful information to investors and others to understand and evaluate the Group’s consolidated results for the purpose of comparison across accounting periods and with those of its peer companies.

The following table sets forth the Group’s non-HKFRSs financial data for the Reporting Year and the Previous Reporting Year:

	Year ended 31 December 2024 HK\$’000	Year ended 31 December 2023 HK\$’000
Profit for the year	54,098	71,289
Interest income	(9,864)	(1,381)
Finance costs	51,385	25,190
Taxation	2,185	11,564
Depreciation	142,081	18,696
Amortisation	–	–
	<hr/>	<hr/>
EBITDA	<u>239,885</u>	<u>125,358</u>

EBITDA for the Reporting Year amounted to a profit of approximately HK\$239.9 million as compared with a profit of approximately HK\$125.4 million for the Previous Reporting Year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Reporting Year, the Group funded its liquidity and capital requirements primarily through capital contributions and cash inflow generated from operating activities.

As at the end of the Reporting Year, the Group had cash and bank balances of approximately HK\$265.9 million (Previous Reporting Year: approximately HK\$137.4 million). The increase was mainly due to (i) the robust sales of PV products; and (ii) new short-term facilities from financial institutions.

As at the end of the Reporting Year, the share capital and equity attributable to owners of the Company amounted to approximately HK\$2.6 million and HK\$1,114.1 million, respectively (Previous Reporting Year: approximately HK\$2.6 million and HK\$847.9 million, respectively).

The current ratio was 1.2 times during the Reporting Year (Previous Reporting Year: 1.1 times).

Foreign Exchange Risk

The Group mainly operates in Hong Kong and the PRC in 2024. Accordingly, all operating transactions and revenue are settled in Hong Kong dollars and Renminbi, subjecting the Group to foreign exchange risk. The Group has actively taken various measures to manage foreign exchange risk.

MATERIAL ACQUISITIONS AND DISPOSALS

Reference is made to the Announcements and the Circular in relation to, among others, the entering into of four equipment lease agreements. Unless otherwise stated, capitalised terms used below shall have the same meanings as those defined in the Circular.

On 28 June 2024 and 12 July 2024, the Group as the Lessee has respectively entered into the Equipment Lease Agreements and the Equipment Lease Agreement 4 (collectively, the “**New Equipment Lease Agreements**”) with the Lessor in relation to the lease of the New Leased Equipment from the Lessor to the Lessee. Pursuant to HKFRS 16, as a result of the entering into of the New Equipment Lease Agreements, the Group shall recognise the relevant values of the right-of-use assets upon the receipts and acceptance in its consolidated financial statements. Accordingly, the transactions contemplated under the New Equipment Lease Agreements will be regarded as acquisition of assets by the Group pursuant to Rule 14.04(1)(a) of the Listing Rules. As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the New Equipment Lease Agreements, when aggregated with each other pursuant to Rule 14.22 of the Listing Rules, based on the respective estimated values of the right-of-use assets to be recognised by the Group thereunder pursuant to HKFRS 16, exceeds 25% but all of them are less than 100%, the entering into of the New Equipment Lease Agreements and the transactions contemplated thereunder constitute a major transaction of the Company. For details, please refer to the Announcements and the Circular.

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Year.

EMPLOYEES

The Group had 1,118 employees (including full-time and casual employees who are paid on a daily basis) as at 31 December 2024 (Previous Reporting Year: 1,469). Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes, provisions for staff long service payment and untaken paid leave for the Reporting Year amounted to approximately HK\$184,483 million (Previous Reporting Year: approximately HK\$42.3 million). The remuneration policy and package of the Group's employees are periodically reviewed. Apart from mandatory provident fund and job training programs, salary increment and discretionary bonuses may be awarded to employees upon approval by the Board according to the Group's operating results, individual performance and market situation.

CAPITAL COMMITMENTS

The Group had capital commitments for an acquisition of property, plant and equipment and right-of-use assets amounted to approximately HK\$842.4 million as at 31 December 2024 (Previous Reporting Year: approximately HK\$418.1 million).

CONTINGENT LIABILITIES

Subsidiaries of the Company are involved in a number of potential claims relating to employees' compensation cases and personal injury claims as well as summonses for safety-related incidents in the ordinary course of business as at the date of this announcement. The Directors considered that the possibility of any outflow in settling (i) the potential personal injury claims were remote as these claims were well covered by insurance; and (ii) the summonses will be insignificant to the business of the Group. Accordingly, no provision for the contingent liabilities in respect of the potential personal injury claims and the summonses is necessary after due consideration of each case.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the Reporting Year (Previous Reporting Year: Nil).

EVENTS AFTER THE REPORTING YEAR

Subsequent to the Reporting Year, the Group entered into an equipment lease agreement (the "**2025 Equipment Lease Agreement**") in relation to the lease of certain equipment for production of PV battery. The lease period is from 10 September 2025 to 10 June 2028, for a period of 33 months.

The rent payable by the Group to the lessor under the 2025 Equipment Lease Agreement amounts to RMB108,492,000 (equivalent to approximately HK\$115,002,000).

The transaction contemplated under the 2025 Equipment Lease Agreement, when aggregated with the completed transaction contemplated under the New Equipment Lease Agreements, would remain as a major transaction. Since the Company has complied with the major transaction requirements in respect of the New Equipment Lease Agreements, the Company is not required to reclassify the 2025 Equipment Lease Agreement and the New Equipment Lease Agreements by aggregating them. The transaction contemplated under the 2025 Equipment Lease Agreement, on a standalone basis, would not constitute a notifiable transaction.

Save as disclosed above, there had been no significant event since the end of the Reporting Year and up to the date of this announcement.

CORPORATE GOVERNANCE CODE

The Company had applied the principles and all the applicable code provisions (the “**Code Provision(s)**”) as set out under the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules during the Reporting Year. The Directors will periodically review the Company’s corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

During the Reporting Year, the Company had complied with all the applicable Code Provisions of the CG Code, except for Code Provision C.2.1 of the CG Code as set out below:

Mr. Yu Zhuyun was appointed as the chief executive officer of the Company (the “**CEO**”) with effect from 30 April 2020, and is currently serving as both the chairman of the Board (the “**Chairman**”) and the CEO. Such practice deviates from Code Provision C.2.1 of the CG Code. The Board believes that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group’s business strategies and enhance its operational efficiency. The Board is currently comprised of two executive Directors, two non-executive Directors and three independent non-executive Directors, which is appropriately structured to ensure that there is a balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its code of conduct for Directors’ securities transactions. In response to specific enquires by the Company, all Directors have confirmed that they have fully complied with the requirements set out in the Model Code during the Reporting Year.

The senior management and staff have been individually notified and advised about the Model Code by the Company.

SHARE OPTION SCHEME

Pursuant to the written resolutions of the then sole Shareholder on 13 March 2018, the Company adopted a share option scheme (the “**Share Option Scheme**”) with effect from 13 March 2018. The terms of the Share Option Scheme were summarised in Appendix IV to the prospectus of the Company dated 19 March 2018. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of the Group, and to promote the business of the Group. As at the date of this announcement, the total number of Shares available for issue under the Share Option Scheme was 422,400,000 Shares, representing 10% of the entire issued share capital of the Company. No share option has been granted, exercised, cancelled or lapsed since the effective date of the Share Option Scheme and up to the date of this announcement.

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

No purchase, sale or redemption of the Company’s listed securities (including sale of treasury shares) was made by the Company or any of its subsidiaries during the Reporting Year. As at 31 December 2024 and the date of this announcement, the Company did not hold any treasury shares.

COMPETING INTERESTS

The Directors confirmed that none of the controlling Shareholders (as defined in the Listing Rules) or the Directors and their respective close associates (as defined in the Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group’s business during the Reporting Year and that is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

AUDIT COMMITTEE REVIEW

The Company established the audit committee (the “**Audit Committee**”) on 13 March 2018 in accordance with Rule 3.21 of the Listing Rules with the written terms of reference in compliance with the CG Code as set out in Appendix C1 of the Listing Rules. The Audit Committee consists of three Directors, namely Mr. Wang Wenxing and Dr. Li David Xianglin, each being an independent non-executive Director, and Mr. Qiao Xiaoge, being a non-executive Director. Mr. Wang Wenxing currently serves as the chairperson of the Audit Committee.

The Group’s consolidated financial statements for the Reporting Year have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosure has been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the Reporting Year and up to the date of this announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (the “AGM”) of the Company will be held on Friday, 27 June 2025. A notice convening the AGM will be issued and sent to the Shareholders in due course in the manner required under the Listing Rules. The register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025 (both dates inclusive) during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 23 June 2025.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.centralenergy.cn. The annual report of the Company for the Reporting Year containing all information required by the Listing Rules will be despatched to the Shareholders and will be published on the websites of both the Stock Exchange and the Company in due course.

By Order of the Board
Central New Energy Holding Group Limited
Yu Zhuyun

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the executive Directors are Mr. Yu Zhuyun (Chairman and Chief Executive Officer) and Mr. Li Menglin; the non-executive Directors are Mr. Qiao Xiaoge and Ms. Zhu Yujuan; and the independent non-executive Directors are Dr. Li David Xianglin, Mr. Wang Wenxing and Dr. Zhou Chunsheng.