



江山控股

KongSun Holdings

Kong Sun Holdings Limited

Stock Code : 295

Interim Report 2019



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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Jin Yanbing (*Chairman*)
Mr. Deng Chengli
Mr. Zeng Jianhua (*resigned with effect from 26 August 2019*)
Mr. Hou Yue (*resigned with effect from 26 August 2019*)

NON-EXECUTIVE DIRECTORS

Mr. Wu Tak Kong
Mr. Wang Ke
Mr. Jiang Hengwen (*appointed with effect from 26 August 2019*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Miu Hon Kit
Ms. Wang Fang
Mr. Chen Kin Shing
Ms. Wu Wennan (*appointed with effect from 26 August 2019*)

AUDIT COMMITTEE

Mr. Miu Hon Kit (*Chairman*)
Ms. Wang Fang
Mr. Chen Kin Shing

NOMINATION COMMITTEE

Mr. Chen Kin Shing (*Chairman*)
Mr. Miu Hon Kit
Ms. Wang Fang
Mr. Jin Yanbing (*appointed with effect from 26 August 2019*)
Mr. Zeng Jianhua (*resigned with effect from 26 August 2019*)

REMUNERATION COMMITTEE

Ms. Wang Fang (*Chairman*)
Mr. Miu Hon Kit
Mr. Chen Kin Shing
Mr. Jin Yanbing (*appointed with effect from 26 August 2019*)
Mr. Zeng Jianhua (*resigned with effect from 26 August 2019*)

CORPORATE INFORMATION *(continued)*



REGISTERED OFFICE	Unit 1209–10, 12/F Everbright Centre 108 Gloucester Road Wanchai Hong Kong
SHARE REGISTRAR AND TRANSFER OFFICE	Computershare Hong Kong Investor Services Limited Shops 1712–1716 17th Floor, Hopewell Center 183 Queen’s Road East Hong Kong
COMPANY SECRETARY	Mr. Chen Cong <i>(appointed with effect from 26 August 2019)</i> Mr. Wong Ying Kit <i>(resigned with effect from 26 August 2019)</i>
AUTHORISED REPRESENTATIVES	Mr. Jin Yanbing Mr. Chen Cong <i>(appointed with effect from 26 August 2019)</i> Mr. Wong Ying Kit <i>(resigned with effect from 26 August 2019)</i>
AUDITOR	BDO Limited
LEGAL ADVISOR AS TO HONG KONG LAWS	Sidley Austin
STOCK CODE	295
CONTACT INFORMATION	Tel : +852 3188 8851 Fax : +852 3186 2916 Website : www.kongsun.com
INVESTOR RELATIONS	Email : kongsun@wsfg.hk

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors"), I would like to present the interim results of Kong Sun Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2019.

During the first half of 2019, the Chinese government continued to support the development of the solar power generation industry by implementing a series of policies and actively promoting grid parity of solar power generation. The National Development and Reform Commission and the National Energy Administration jointly issued the Notice on Active Promotion of the Work on Grid Parity of Wind Power and Photovoltaic Power without Subsidies (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》) and made known the first batch of grid-parity solar power generation projects. The Ministry of Finance issued the Notice on the Release of Additional Subsidies for Renewable Energy Tariffs (《關於下達可再生能源電價附加補助資金預算的通知》) and jointly issued the Notice on the Release of the Catalogue of Additional Subsidies for Renewable Energy Tariffs (Photovoltaic Poverty Alleviation Project) (《關於公佈可再生能源電價附加資金補助目錄(光伏扶貧專案)的通知》) with the National Development and Reform Commission and the State Council Leading Group Office of Poverty Alleviation and Development, promoting the grant of subsidies for solar power generation projects registered into the catalogue. The National Energy Administration issued the Notice on the Construction of Wind and Photovoltaic Power Generation Projects in 2019 (《關於2019年風電、光伏發電項目建設有關事項的通知》) and the Working Plan on the Construction of Photovoltaic Power Generation Projects in 2019 (《2019年光伏發電項目建設工作方案》), initiating a new mechanism of subsidized competition. The National Development and Reform Commission and the National Energy Administration jointly issued the Notice on the Establishment of a Healthy Protection Mechanism for the Consumption of Power Generated by Renewable Energy (《關於建立健全可再生能源電力消納保障機制的通知》), providing further protection for solar power consumption by determining the consumption weighting of power generated by renewable energy other than hydropower.

With the implementation of the above policies, the solar power generation industry in China will continue to experience a healthy development. According to the statistics of the National Energy Administration, as at the end of June 2019, the accumulated installed capacity of the solar power generation industry in China reached 186 gigawatt ("GW"). The solar power generation capacity for the first half of the year amounted to 106.7 billion kilowatt-hours, representing a year-on-year increase of 30%. Average utilization of solar power amounted to 576 hours, increasing by 10 hours year-on-year. Average light rejection rate nationwide was 2.4%, down 1.2% year-on-year.

CHAIRMAN'S STATEMENT *(continued)*



During the first half of 2019, with stable financial position and pragmatic operating strategies, the Group continued to strive for healthy business development and further improved the Group's long-term cash flow by optimizing asset structure and lowering gearing ratio. Currently, the Group has 46 grid-connected solar power plants in Shaanxi, Xinjiang, Gansu, Anhui, Zhejiang, Hebei, Shandong, Inner Mongolia, Hubei, Henan, Shanxi, Jiangsu and Qinghai in China. As at 30 June 2019, the total installed capacity of the Group reached 1,729.3 megawatt ("MW"), and its total power generation capacity was approximately 1,152,288 megawatt-hours ("MWh") for the first half of 2019. Meanwhile, the Group continued to explore other clean energy investment opportunities, expand its wind power and liquefied natural gas trading business, and engage in the fintech businesses, such as internet microfinance. For the first half of 2019, the Group recorded a revenue of approximately RMB1,156,690,000, representing an increase of 35.6% as compared to the corresponding period last year, and gross profit of approximately RMB605,461,000, representing an increase of 7.0% as compared to the corresponding period last year.

In the future, by focusing on clean energy and green inclusive finance, the Group will actively explore new business opportunities and continue to develop its solar power generation business, optimise its operation mode, enhance the efficiency of equipment in solar power plants and accelerate its pace in shifting to an asset-light model. Through integration of industry and finance, it will also enhance its operational efficiency, so as to drive the development of green and low-carbon energy in China and contribute to environmental protection.

Finally, I would like to take this opportunity to express my gratitude to our shareholders, customers and suppliers for their continuous support and trust; and to all of our Directors, management team and staff of the Group for their contribution to the Group. The Group will continue its business development with a view to maximising overall return for its shareholders.

Zeng Jianhua

Chairman

23 August 2019, Hong Kong

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue	1,156,690	852,890
Gross profit	605,461	566,000
(Loss)/profit for the period	(40,909)	14,970
(Loss)/earnings per share attributable to owners of the Company for the period		
— Basic (RMB cents)	(0.28)	0.10
— Diluted (RMB cents)	(0.28)	0.10
	At	At
	30 June	31 December
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Total non-current assets	14,047,441	15,417,621
Total current assets	6,014,457	5,002,495
Total assets	20,061,898	20,420,116
Total non-current liabilities	10,578,075	10,946,138
Total current liabilities	3,278,799	2,870,150
Total liabilities	13,856,874	13,816,288
NET ASSETS	6,205,024	6,603,828

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is an investment holding company with its subsidiaries mainly engaged in the investment in and the operation of solar power plants, provision of solar power plant operation and maintenance services, provision of financial services, trading of liquefied natural gas and asset management.

SOLAR POWER PLANTS BUSINESS

During the six months ended 30 June 2019, the Group continued its investment in and development of solar power plants in the People's Republic of China (the "PRC"). As at 30 June 2019, the Group had a total of 1,729.3 MW completed solar power plants as follows:

Completed solar power plants

PRC Province	Number of solar power plants as at 30 June 2019	Capacity of solar power plants
Xinjiang	11	240.0 MW
Gansu	7	238.5 MW
Shaanxi	8	610.0 MW
Inner Mongolia	1	10.0 MW
Shanxi	1	20.0 MW
Hebei	4	101.0 MW
Henan	2	120.0 MW
Shandong	2	40.0 MW
Anhui	5	160.0 MW
Jiangsu	1	20.0 MW
Zhejiang	2	119.8 MW
Hubei	1	30.0 MW
Qinghai	1	20.0 MW
Total	46	1,729.3 MW

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

SOLAR POWER PLANTS BUSINESS (continued)

As at 30 June 2019, the Group had the following wholly-owned ground-mounted solar power plants under construction:

Solar power plants under construction

PRC Province	Number of solar power plants as at 30 June 2019	Capacity of solar power plants
Shandong	1	50.0 MW
Anhui	1	20.0 MW
Total	2	70.0 MW

PROVISION OF FINANCIAL SERVICES

The total revenue arising from the provision of financial services increased by approximately 236.4% from approximately RMB5,246,000 for the six months ended 30 June 2018 to approximately RMB17,650,000 for the six months ended 30 June 2019.

SECURITIES INVESTMENT

As at 30 June 2019, the Group managed a portfolio of investments in capital market with fair value of approximately RMB34,658,000 (31 December 2018: RMB81,143,000). As at 30 June 2019 and 31 December 2018, the portfolio of investments managed by the Group consists of investment in one listed equity in Hong Kong. The Group will remain watchful on market developments and will continue to be prudent in managing its investment with a continuing focus on improving overall assets quality. For the six months ended 30 June 2019, the Group had recorded a net unrealised loss on fair value changes of financial assets measured at fair value through profit or loss which amounted to approximately RMB6,011,000 (six months ended 30 June 2018: RMB10,539,000). During the six months ended 30 June 2019, the Group disposed of approximately 49.0% of its listed equity investment in Hong Kong at a cash consideration of approximately RMB38,838,000 and resulting in a net realised loss on disposal on financial assets measured at fair value through profit or loss amounted to approximately RMB1,154,000 (six months ended 30 June 2018: RMB53,613,000). For further details, please refer to the paragraph headed "Results of Operations — Financial Assets Measured at Fair Value through Profit or Loss" in this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS

Revenue

The revenue of the Group increased by approximately 35.6% from approximately RMB852,890,000 for the six months ended 30 June 2018 to approximately RMB1,156,690,000 for the six months ended 30 June 2019. The increase was primarily due to the increase in revenue from sales of electricity and the commencement of trading of liquefied natural gas in the second half of 2018.

Revenue from Sales of Electricity and Provision of Solar Power Plant Operation and Maintenance Services

The Group's revenue from sales of electricity increased by approximately 7.4% from approximately RMB846,251,000 for the six months ended 30 June 2018 to approximately RMB908,475,000 for the six months ended 30 June 2019. As at 30 June 2019, the Group had a total of 1,729.3 MW (31 December 2018: 1,789.3MW) installed capacity of solar power plants. The solar power plants owned by the Group have generated electricity in an aggregate volume of approximately 1,152,288 megawatt-hour ("MWh") for the six months ended 30 June 2019, representing an increase of approximately 5.6% as compared to approximately 1,091,244 MWh for the six months ended 30 June 2018.

The Group's revenue from provision of solar power plant operation and maintenance services decreased by approximately 49.6% from approximately RMB1,082,000 for the six months ended 30 June 2018 to approximately RMB545,000 for the six months ended 30 June 2019.

Revenue from Provision of Financial Services

The Group's revenue arising from the provision of financial services increased by approximately 236.4% from approximately RMB5,246,000 for the six months ended 30 June 2018 to approximately RMB17,650,000 for the six months ended 30 June 2019.

Revenue from Trading of Liquefied Natural Gas

The Group had generated revenue from trading of liquefied natural gas of approximately RMB230,020,000 (six months ended 30 June 2018: Nil) for the six months ended 30 June 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by approximately 7.0% from approximately RMB566,000,000 for the six months ended 30 June 2018 to approximately RMB605,461,000 for the six months ended 30 June 2019. The gross profit margin of the Group decreased from approximately 66.4% for the six months ended 30 June 2018 to approximately 52.3% for the six months ended 30 June 2019 mainly due to new business segment of trading of liquefied natural gas, which has a lower gross profit margin than the business segment of solar power plants.

Other Gains and Losses

The Group recorded other gains of approximately RMB19,352,000 (six months ended 30 June 2018: other losses of approximately RMB10,034,000) for the six months ended 30 June 2019. The change was mainly due to (i) the decrease in net realised loss on disposal of financial assets measured at fair value through profit or loss of approximately RMB52,459,000 as a result of the disposal of approximately 49.0% of the listed equity investment in Hong Kong during the six months ended 30 June 2019 compared with disposal of all listed equity investment in the PRC in the same period last year; and (ii) the decrease in net unrealised loss on fair value change of financial assets measure at fair value through profit or loss of approximately RMB4,528,000, offset by (i) the decrease in dividend income amounted to approximately RMB13,376,000; and (ii) the decrease in office sublease income of approximately RMB3,235,000.

Administrative Expenses

Administrative expenses of the Group decreased by approximately 11.8% from approximately RMB201,401,000 for the six months ended 30 June 2018 to approximately RMB177,627,000 for the six months ended 30 June 2019. The decrease was mainly attributable to a decrease in employee benefit expenses (including directors' emoluments) amounted to approximately RMB20,727,000 as a result of the decrease in number of head count of employee of the Group during the six months ended 30 June 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Gain/Loss on Disposal/Deregistration of Subsidiaries, Net

During the six months ended 30 June 2019, the Group disposed of certain subsidiaries, namely 霍林郭勒競日能源有限公司 (Huolin Guole Jingri Energy Limited*) and 樟樹市中利騰暉光伏有限公司 (Zhangshu Zhongli Tenghui Photovoltaic Power Limited*), and recorded net gain on such disposals of approximately RMB37,488,000 (six months ended 30 June 2018: net losses on disposal/deregistration of such subsidiaries of approximately RMB9,589,000). For details, please refer to note 22 to the “Notes to the Condensed Consolidated Interim Financial Statements” in this interim report.

Impairment loss on a disposal group classified as held for sale

On 29 April 2019, the Group entered into a sale and purchase agreement with an independent third party to dispose the entire equity interest in 湖州祥暉光伏發電有限公司 (Huzhou Xianghui Solar Power Co., Ltd.*) (“Huzhou Xianghui”) for a total consideration of approximately RMB413,213,000. An impairment loss of approximately RMB98,388,000, representing the sale proceeds less the carrying amount of the net assets of Huzhou Xianghui as at 30 June 2019, was charged to profit or loss during the six months ended 30 June 2019.

Finance Costs

Finance costs of the Group increased significantly by approximately 28.6% from approximately RMB335,809,000 for the six months ended 30 June 2018 to approximately RMB431,828,000 for the six months ended 30 June 2019. As the Group’s total loans and borrowings increased as compared to the corresponding period last year, the finance costs related to these borrowings also increased.

Core Profit

Core profit represents profit/(loss) after tax and before one-off items. Excluding the effects of one-off items on gain on disposal/deregistration of subsidiaries of approximately RMB37,488,000 (six months ended 30 June 2018: loss of approximately RMB9,589,000) and impairment loss on a disposal group classified as held for sale of approximately RMB98,388,000 (six months ended 30 June 2018: RMBNil), the Group recorded a core profit of approximately RMB19,991,000 (six months ended 30 June 2018: RMB24,559,000) for the six months ended 30 June 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Solar Power Plants

As at 30 June 2019, the Group had a net carrying value of approximately RMB10,928,205,000 (31 December 2018: RMB12,160,658,000) and approximately RMB344,750,000 (31 December 2018: RMB433,798,000) in completed solar power plants and solar power plants under construction, respectively. For details, please refer to note 10 to the “Notes to the Condensed Consolidated Interim Financial Statements” in this interim report. During the six months ended 30 June 2019, the Group successfully completed the disposals of two completed solar power plants with total installed capacity of 60MW. As at 30 June 2019, the Group had a total of 1,729.3 MW (31 December 2018: 1,789.3 MW) installed capacity of completed solar power plants.

Interest in a Joint Venture

As at 30 June 2019, the net carrying value of the joint venture was approximately RMB344,231,000 (31 December 2018: RMB331,922,000).

The Group executed a guarantee with respect to a loan of approximately RMB56,968,000 (31 December 2018: RMB92,873,000) granted by independent third parties to 江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*) (“Kong Sun Baoyuan”) as at 30 June 2019, under which the Group is liable to pay the proportionate share if the independent third parties are unable to recover the loan from Kong Sun Baoyuan. As at the reporting date, no provision for the Group’s proportionate obligation under the guarantee contracts has been made as the Directors consider that it is not probable that the repayment of the loan will be in default.

On 21 March 2019, the Group entered into a sale and purchase agreement with a connected person of the Company at the subsidiary level to dispose 17.4% equity interests in Kong Sun Baoyuan for a total consideration of RMB105,000,000 (the “Partial Disposal”). Upon completion, the Group’s equity interest in Kong Sun Baoyuan will decrease from 55% to 37.6%, Kong Sun Baoyuan will cease to be a joint venture of the Company and become an associate of the Company under HKAS 28. For details, please refer to the announcement of the Company dated 21 March 2019. As at 30 June 2019 and the date of this report, the Partial Disposal has not been completed and Kong Sun Baoyuan remains as a joint venture of the Company.



MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Goodwill

As at 30 June 2019, the Group had a total amount of approximately RMB149,151,000 (31 December 2018: RMB149,197,000) in respect of goodwill on the previous acquisitions of subsidiaries.

Right-of-use Assets and Lease Liabilities

The Group has applied HKFRS 16 and recognized right-of-use assets and lease liabilities since 1 January 2019. As at 30 June 2019, the right-of-use assets and lease liabilities amounted to approximately RMB446,874,000 (31 December 2018: Nil) and approximately RMB228,925,000 (31 December 2018: Nil).

Financial Assets Measured at Fair Value through Other Comprehensive Income

Financial assets measured at fair value through other comprehensive income decreased by approximately 12.9% from approximately RMB2,047,434,000 as at 31 December 2018 to approximately RMB1,783,789,000 as at 30 June 2019. The decrease is mainly due to the net fair value loss on the unlisted equity investments of approximately RMB362,695,000. The investments are held for long-term investment purpose and hence are classified as financial assets measured at fair value through other comprehensive income in the condensed consolidated statement of financial position. The decrease is partially offset by the increase in (i) the additional capital contribution paid in 蘇州君盛晶石股權投資合夥企業(有限合夥) (Suzhou Junsheng Jingshi Equity Investment Partnership (Limited Partnership)*) amounted to RMB92,500,000; and (ii) the additional capital contribution paid in 霍爾果斯鑫和優美股權投資合夥企業(有限合夥) (Huoerguosi Xinheyomei Equity Investment Limited Partnership*) amounted to RMB6,550,000. For details, please refer to note 13 to the “Notes to the Condensed Consolidated Interim Financial Statements” in this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Financial Assets Measured at Fair Value through Profit or Loss

As at 30 June 2019, the Group had financial assets measured at fair value through profit or loss with market value of approximately RMB34,658,000 (31 December 2018: RMB81,143,000), representing approximately 0.2% (31 December 2018: 0.4%) of the total assets of the Group as at 30 June 2019. As at 30 June 2019 and 31 December 2018, the portfolio of investments managed by the Group consists of investment in one listed equity in Hong Kong. The Group held approximately 0.7% (31 December 2018: 1.3%) shareholding in the equity listed in Hong Kong as at 30 June 2019. During the six months ended 30 June 2019, the Group had recorded a net unrealised loss on fair value changes of financial assets measured at fair value through profit or loss which amounted to approximately RMB6,011,000 (six months ended 30 June 2018: RMB10,539,000). During the six months ended 30 June 2019, the Group disposed of approximately 49.0% of its listed equity investment in Hong Kong at a cash consideration of approximately RMB38,838,000 and resulting in a net realised loss on disposal on financial assets measured at fair value through profit or loss amounted to approximately RMB1,154,000 (six months ended 30 June 2018: RMB53,613,000).

Trade, Bills and Other Receivables

Trade, bills and other receivables increased by approximately 6.3% from approximately RMB4,646,076,000 as at 31 December 2018 to approximately RMB4,937,171,000 as at 30 June 2019. The increase was mainly due to an increase in trade and bills receivables by approximately 19.5% from approximately RMB2,477,839,000 as at 31 December 2018 to approximately RMB2,960,243,000 as at 30 June 2019 which arose from the increase in sales of electricity.

Structured bank deposits

As at 31 December 2018, the Group placed approximately RMB9,230,000 structured bank deposits with a bank in the PRC to earn a guaranteed and capital-protected return by making good use of the idle cash of the Group. The deposits were withdrawn in January 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Trade and Other Payables

Trade and other payables decreased by approximately 3.8% from approximately RMB1,903,547,000 as at 31 December 2018 to approximately RMB1,830,342,000 as at 30 June 2019. The balance mainly comprised payables to suppliers of solar modules and equipment and Engineering Procurement Construction (“EPC”) contractors for purchase of solar modules and equipment and construction costs of solar power plants. Due to settlement of construction costs after the completion of substantial solar power plants construction work during the six months ended 30 June 2019, trade payables, which was mainly related to construction costs of solar power plants, have decreased by approximately 18.7% from approximately RMB1,493,153,000 as at 31 December 2018 to approximately RMB1,213,432,000 as at 30 June 2019.

Liquidity and Capital Resources

As at 30 June 2019, cash and cash equivalents of the Group was approximately RMB179,217,000 (31 December 2018: RMB256,310,000), which included an amount of bank balances of approximately RMB170,679,000 (31 December 2018: RMB245,790,000) denominated in RMB placed with banks in the PRC. The remaining balance of the Group’s cash and cash equivalents consisted primarily of cash on hand and bank balances which were primarily denominated in Hong Kong dollar and placed with banks in Hong Kong.

As at 30 June 2019, the Group’s net debt ratio, which was calculated by the total loans and other borrowings and corporate bonds minus total cash and cash equivalents and structured bank deposits, over total equity, was approximately 1.80 (31 December 2018: 1.76).

Capital Expenditure

During the six months ended 30 June 2019, the Group’s total expenditure in respect of property, plant and equipment and solar power plants amounted to approximately RMB3,516,000 (six months ended 30 June 2018: RMB2,619,000) and approximately RMB30,794,000 (six months ended 30 June 2018: RMB18,468,000), respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Loans and Borrowings

As at 30 June 2019, the Group's total loans and borrowings was approximately RMB11,073,481,000, representing a decrease of approximately 4.7% as compared to approximately RMB11,617,235,000 as at 31 December 2018. All loans and borrowings of the Group were denominated in RMB, the functional currency of the Company's major subsidiaries in the PRC. As at 30 June 2019, loans and borrowings of approximately RMB5,232,500,000 (31 December 2018: RMB4,918,000,000) and approximately RMB5,840,981,000 (31 December 2018: RMB6,699,235,000) bear fixed interest rate and floating interest rate, respectively.

As at 30 June 2019, out of the total borrowings, approximately RMB974,530,000 (31 December 2018: RMB890,610,000) was repayable within one year and approximately RMB10,098,951,000 (31 December 2018: RMB10,726,625,000) was repayable after one year. For details, please refer to note 19 to the "Notes to the Condensed Consolidated Interim Financial Statements" of this interim report.

Corporate Bonds

As at 30 June 2019, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$326,500,000 (equivalent to approximately RMB287,209,000) (31 December 2018: HK\$344,000,000 (equivalent to approximately RMB301,413,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 7% (31 December 2018: 3% to 9%) per annum, and will mature on the date immediately following 12 to 96 months (31 December 2018: 3 to 96 months) after their issuance.

During the six months ended 30 June 2019, the Group issued corporate bonds with an aggregate principal amount of HK\$44,000,000 (equivalent to approximately RMB38,705,000) (six months ended 30 June 2018: HK\$115,500,000 (equivalent to approximately RMB97,378,000)) to certain independent third parties, the net proceeds of the issued corporate bonds received by the Company were approximately HK\$38,909,000 (equivalent to approximately RMB34,227,000) (six months ended 30 June 2018: HK\$102,795,000 (equivalent to approximately RMB86,666,000)), with total issue cost amounting to approximately HK\$5,091,000 (equivalent to approximately RMB4,478,000) (six months ended 30 June 2018: HK\$12,705,000 (equivalent to approximately RMB10,712,000)).

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS *(continued)*

Corporate Bonds *(continued)*

During the six months ended 30 June 2019, the Group repaid HK\$61,500,000 (equivalent to approximately RMB54,099,000) (six months ended 30 June 2018: HK\$161,000,000 (equivalent to approximately RMB135,739,000)) in aggregate principal amount of the corporate bonds.

The corporate bonds are measured at amortised cost using effective interest method by applying an effective interest rate ranging from 10.24% to 14.56% (six months ended 30 June 2018: 10.24% to 10.46%) per annum. Imputed interest of approximately HK\$14,710,000 (equivalent to approximately RMB12,607,000) (six months ended 30 June 2018: HK\$23,383,000 (equivalent to approximately RMB19,007,000)) (note 5 to the financial statements in this report) in respect of the corporate bonds was recognised in profit or loss during the six months ended 30 June 2019.

Foreign Exchange Rate Risk

The Group primarily operates its business in the PRC and during the six months ended 30 June 2019, the Group's revenue were primarily denominated in RMB, being the functional currency of the Group's major operating subsidiaries. Accordingly, the Directors expect that any future exchange rate fluctuation will not have any material effect on the Group's business. The Group did not use any financial instruments for hedging purposes, but will continue to monitor foreign exchange changes to best preserve the Group's cash value.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Charge on Assets

As at 30 June 2019, the Group had charged solar power plants, trade receivables, lease prepayments, right-of-use assets and unlisted equity investments with net book value of approximately RMB9,171,067,000 (31 December 2018: RMB8,027,467,000), approximately RMB2,115,482,000 (31 December 2018: RMB1,713,102,000), approximately RMB Nil (31 December 2018: RMB774,000), approximately RMB750,000 (31 December 2018: RMB Nil) and approximately RMB449,866,000 (31 December 2018: RMB813,158,000), respectively, to secure bank loans and other loans facilities granted to the Group.

Save as disclosed above and in note 19 to the “Notes to the Condensed Consolidated Interim Financial Statements” of this interim report, during the six months ended 30 June 2019, the Group has no other charges on assets.

Contingent Liabilities

The Group acquired equity interests of certain subsidiaries principally engaged in the development of solar power plant projects and the applications for the development of these solar power plant projects were actually made by their former shareholders. According to certain notices (the “Notices”) issued by the State Energy Administration (國家能源局), the Notices prohibit the original applicants who have obtained the approval documents from the government authorities for the solar power plant projects from transferring the equity interests of solar power plant projects before such solar power plants were connected to the power grid. Given that the Group has obtained the preliminary approval from respective relevant government authorities to continue with the development of the solar power plants, the possibility for these subsidiaries to be fined or to face other adverse consequences imposed by the relevant government authorities is remote. Accordingly, the Directors consider there is no significant impact on the Group’s control over these subsidiaries and the development of these solar power plants.

Save as disclosed above, during the six months ended 30 June 2019, the Group has no other significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS *(continued)*

Employees and Remuneration Policy

As at 30 June 2019, the Group had approximately 648 employees (31 December 2018: 849) in Hong Kong and in the PRC. Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the six months ended 30 June 2019, the total employee benefit expenses (including directors' emoluments) were approximately RMB111,639,000 (six months ended 30 June 2018: RMB136,226,000). For details, please refer to note 6(a) to the "Notes to the Condensed Consolidated Interim Financial Statements" of this interim report. The remuneration policy of the Group is to provide remuneration packages, including basic salary, short-term bonuses and long-term rewards, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, or when occasion requires.

The Company has also adopted a share option scheme on 22 July 2009 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Share Option Scheme expired on 21 July 2019 and no further options could thereafter be granted. Notwithstanding the expiry of the Share Option Scheme, the share options which had been granted during the life of the scheme shall continue to be valid and exercisable in accordance with their terms of issue and in all other respects its provisions shall remain in full force and effect.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL

Save as disclosed in this interim report, the Group did not have any other significant investments, other material acquisition or disposal during the six months ended 30 June 2019, and there was no plan authorised by the Board for other material investments or additions of capital assets up to the date of this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

PROSPECT

In recent years, many countries in the world have devoted greater effort to the development and utilization of renewable energy. Currently, there are 146 countries having set their own target for developing renewable energy, and a number of renowned multi-national enterprises have achieved or set a target for full utilization of renewable energy. Owing to its cleanliness and renewability, solar power has become one of the best alternatives to traditional energy.

In the first half of 2019, the global solar power generation market recorded an additional installed capacity of 47 gigawatt (“GW”)^[1] and an accumulated installed capacity of over 556GW. On the whole, the global solar power generation market has a bright future. Meanwhile, installed capacity of the solar power generation market in the PRC was less than 12GW for the first half of the year. However, with subsidized projects and grid parity taking place during the second half of the year, the market will witness an explosive growth, expecting an annual installed capacity of 35GW to 45GW and maintaining momentum for steady growth on the whole.

Looking forward, the Group will continue to pursue its strategies on the investment and operation of solar power plants, optimise its power asset allocation, strive to increase its power generation efficiency, expand its liquefied natural gas trading business and actively explore new business opportunities. Through integration of industry and finance, it will also promote the development of green finance and inclusive finance businesses so as to maximize its asset income and further strengthen the Group’s overall competitiveness and influence in the industry for enhancing and consolidating its position as a leading enterprise in the solar power generation industry in China.

^[1] Based on data released by Rystad Energy Renewable Club

DISCLOSURE OF OTHER INFORMATION



SHARE OPTION SCHEME

Pursuant to a resolution of the Company passed on 22 July 2009, the Company has adopted the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Share Option Scheme expired on 21 July 2019 and no further options could thereafter be granted. Notwithstanding the expiry of the Share Option Scheme, the share options which had been granted during the life of the scheme shall continue to be valid and exercisable in accordance with their terms of issue and in all other respects its provisions shall remain in full force and effect. Eligible participants of the Share Option Scheme include employees or directors of the Company or the Group's holding companies or subsidiaries, advisers, consultants, agents, contractors, customers, suppliers or any entities in which the Group or its holding companies or subsidiaries holds any equity interest who has contribution to the Group.

Details and the major terms of the Share Option Scheme are as follows:

(i) Purpose

The purpose of the Share Option Scheme is to enable the Company to grant options to the participants in recognition of their contribution to the Group.

(ii) Participants

The Directors may offer to grant an option to any employee or director of the Company or the Group's holding companies or subsidiaries, adviser, consultant, agent, contractor, customer, supplier or any entity in which the Group or its holding companies or subsidiaries holds any equity interest who has contribution to the Group.

(iii) Terms of options

The share options granted under the Share Option Scheme are subject to such terms and conditions as may be determined by the Directors at their absolute discretion and specified in the offer of a share option, which terms and conditions may include (a) vesting conditions which must be satisfied before a share option holder's share option shall become vested and capable of being exercised; and (b) the Directors may, in its absolute discretion, specify performance conditions that must be achieved before a share option can be exercised and/or the minimum period for which a share option must be held before it can be exercised.

DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

(iv) Option price

The option price will be determined by the Directors at their absolute discretion and notified to an option-holder. The minimum option price shall not be less than the highest of (a) the closing price of the shares of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on the date of offer of an option; (b) the average closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of offer of an option; and (c) the nominal value of the shares of the Company, if applicable.

(v) Maximum number of shares

(1) 10% Limit

- (a) The total numbers of shares which may be issued upon exercise of all options to be granted must not in aggregate exceed 10% of the aggregate of the shares of the Company in issue as at the date of adoption of the Share Option Scheme (i.e. 176,266,251 shares). Options lapsed in accordance with the terms of the Share Option Scheme and any other scheme will not be counted for the purpose of calculating the 10% limit in this paragraph.
- (b) With the approval of the shareholders of the Company in a general meeting, the Directors may “refresh” the 10% limit under paragraph (a) (and may further refresh such limit in accordance with this paragraph) provided that the total number of shares of the Company which may be issued upon the exercise of all options to be granted under the limit as “refreshed” shall not exceed 10% of the shares in issue as at the date on which the shareholders approve the “refreshed” limit.

DISCLOSURE OF OTHER INFORMATION *(continued)*



SHARE OPTION SCHEME *(continued)*

(v) Maximum number of shares *(continued)*

(1) 10% Limit *(continued)*

(b) *(continued)*

At the annual general meeting of the Company held on 11 April 2017, the scheme limit was refreshed pursuant to which Directors are authorised to grant options to eligible participants under the Share Option Scheme to subscribe for a maximum of 1,496,444,251 shares, being 10% of the shares in issue as at the date of the annual general meeting of the Company (i.e. 11 April 2017).

Options previously granted (including those outstanding, cancelled and lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.

- (c) Subject to the limits as stated elsewhere, the Directors may, with the approval of the shareholders, grant options in excess of the 10% limit to participants specifically identified before shareholders’ approval is sought. In such situation, the Company will send a circular to the shareholders of the Company containing a generic description of the specified participants who may be granted such options, the number and terms of such options to be granted and the purpose of granting such options to the specified participants with an explanation of how the terms of the options will serve the purpose.

(2) 30% Limit

The total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme shall not exceed 30% of the shares of the Company in issue from time to time. No options may be granted under the Share Option Scheme if this will result in the limit being exceeded.

Following the expiry of the Share Option Scheme, no further share options could be granted thereunder. As at 30 June 2019, a total of 840,330,000 shares of the Company may be issued upon exercise of all options which had been granted and yet to be exercised under the Share Option Scheme, representing 5.62% of the total shares in issue.

DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

(vi) Maximum entitlement of each participant

Subject to other limits as otherwise stated, the Directors shall not grant any options to any participant which, if exercised, would result in such participant becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him (including those options exercised or outstanding) in any 12-month period exceed 1% of the shares of the Company in issue at such date. The Directors may grant options to any participant in excess of the individual limit of 1% in any 12-month period with the approval of the shareholders of the Company in general meeting with such participant and his/her associates abstaining from voting. A participant shall pay the Company HK\$1.00 for the grant of an option on acceptance of an offer within 21 days after the date of offer.

(vii) Time of exercise of options

An option under the Share Option Scheme which is vested and has not lapsed may be exercised at any time during such period notified by the Directors as not exceeding 10 years from the date on which a participant is offered such option. The exercise of options may also be subject to any conditions imposed by the Directors at the time of offer.

(viii) Term of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme (i.e. 21 July 2019), after which period no further options may be granted under the Share Option Scheme. The Directors may terminate the Share Option Scheme at any time and in such event no further options shall be granted under the Share Option Scheme but any options which have been granted but not yet exercised shall continue to be valid and exercisable.

The Share Option Scheme expired on 21 July 2019 and no further options could thereafter be granted. Notwithstanding the expiry of the Share Option Scheme, the share options which had been granted during the life of the scheme shall continue to be valid and exercisable in accordance with their terms of issue and in all other respects its provisions shall remain in full force and effect.

DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

The followings are details of the options granted (the “Granted Options”) pursuant to the Share Option Scheme but not yet exercised as at 30 June 2019:

Grantee(s)	Date of grant	Number of share options					As at 30 June 2019	Exercise Price HK\$	Approximate % of shareholding upon fully exercise of share options (Note (iii))
		As at 1 January 2019	Granted during the period	Cancelled during the period	Lapsed during the period	Exercised during the period			
<i>Executive Directors</i>									
Jin Yanbing (Chairman)	3 April 2017	16,000,000	-	-	-	-	16,000,000	0.30	0.10%
	28 April 2017	5,670,000	-	-	-	-	5,670,000	0.41	0.04%
Deng Chengli	8 October 2014	21,000,000	-	-	-	-	21,000,000	1.10	0.13%
	3 April 2017	25,000,000	-	-	-	-	25,000,000	0.30	0.15%
	28 April 2017	5,670,000	-	-	-	-	5,670,000	0.41	0.04%
Zeng Jianhua (Note (iii))	3 April 2017	100,000,000	-	-	-	-	100,000,000	0.30	0.62%
	28 April 2017	5,670,000	-	-	-	-	5,670,000	0.41	0.04%
Hou Yue (Note (iii))	3 April 2017	19,000,000	-	-	-	-	19,000,000	0.30	0.11%
	28 April 2017	5,670,000	-	-	-	-	5,670,000	0.41	0.04%
<i>Independent non-executive Directors</i>									
Miu Hon Kit	8 October 2014	1,000,000	-	-	-	-	1,000,000	1.10	0.01%
	28 April 2017	1,000,000	-	-	-	-	1,000,000	0.41	0.01%
Wang Fang	28 April 2017	1,000,000	-	-	-	-	1,000,000	0.41	0.01%
Chen Kin Shing	28 April 2017	1,000,000	-	-	-	-	1,000,000	0.41	0.01%
		207,680,000	-	-	-	-	207,680,000		1.31%
<i>Other employees and consultants of the Group</i>									
	8 October 2014	227,150,000	-	-	(1,000,000)	-	226,150,000	1.10	1.43%
	3 April 2017	179,330,000	-	-	-	-	179,330,000	0.30	1.14%
	28 April 2017	253,670,000	-	-	(26,500,000)	-	227,170,000	0.41	1.44%
Total		867,830,000	-	-	(27,500,000)	-	840,330,000		5.32%

DISCLOSURE OF OTHER INFORMATION *(continued)*

SHARE OPTION SCHEME *(continued)*

Notes:

- (i) The closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet immediately before the date on which the outstanding options were granted were as follows:

Date of grant	Trading day immediately before the date of grant	Closing price per share immediately before the date of grant HK\$
8 October 2014	7 October 2014	1.130
3 April 2017	31 March 2017	0.285
28 April 2017	27 April 2017	0.345

- (ii) The percentage represents the number of underlying shares interested divided by the enlarged issue share capital of the Company as at 30 June 2019, assuming all the outstanding share options are exercised.
- (iii) Mr. Zeng Jianhua ("Mr. Zeng") and Mr. Hou Yue ("Mr. Hou") resigned as executive Directors with effect from 26 August 2019. Pursuant to the terms of the Share Option Scheme, Mr. Zeng and Mr. Hou may exercise any vested share option at the date of cessation of their employment within the period of 1 month following the date of such cessation or such other period as the Board may determine. For details, please refer to the circular of the Company dated 6 July 2009 and the announcements of the Company dated 3 April 2017 and 28 April 2017. As at the date of this interim report, neither Mr. Zeng nor Mr. Hou has informed the Company for their intention to exercise their respective vested share options.

DISCLOSURE OF OTHER INFORMATION *(continued)*



SHARE OPTION SCHEME *(continued)*

The period within which the Granted Options could be exercised under the Share Option Scheme:

Exercise period	Number of options exercisable
From 1 st anniversary of the date of grant to 2 nd anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 2 nd anniversary of the date of grant to 3 rd anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 3 rd anniversary of the date of grant to 4 th anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 4 th anniversary of the date of grant to 5 th anniversary of the date of grant	Up to 25% of the total number of Granted Options

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DISCLOSURE OF OTHER INFORMATION *(continued)*

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2019, the interests or short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of the Company (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange to be notified to the Company and the Stock Exchange were as follows:

Interests in underlying shares of the Company

Name of Directors(s)	Nature of interest	Date of share options granted	Number of share options outstanding as at 30 June 2019	Approximate percentage of shareholding upon fully exercise of share options <i>(Note (i))</i>
<i>Executive Directors</i>				
Jin Yanbing <i>(Chairman)</i>	Beneficial owner	3 April 2017	16,000,000	0.10%
	Beneficial owner	28 April 2017	5,670,000	0.04%
Deng Chengli	Beneficial owner	8 October 2014	21,000,000	0.13%
	Beneficial owner	3 April 2017	25,000,000	0.15%
	Beneficial owner	28 April 2017	5,670,000	0.04%
Zeng Jianhua <i>(Note (ii))</i>	Beneficial owner	3 April 2017	100,000,000	0.62%
	Beneficial owner	28 April 2017	5,670,000	0.04%
Hou Yue <i>(Note (ii))</i>	Beneficial owner	3 April 2017	19,000,000	0.11%
	Beneficial owner	28 April 2017	5,670,000	0.04%

DISCLOSURE OF OTHER INFORMATION *(continued)*

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES *(continued)*

Interests in underlying shares of the Company *(continued)*

Name of Directors(s)	Nature of interest	Date of share options granted	Number of share options outstanding as at 30 June 2019	Approximate percentage of shareholding upon fully exercise of share options <i>(Note (i))</i>
<i>Independent non-executive Directors</i>				
Miu Hon Kit	Beneficial owner	8 October 2014	1,000,000	0.01%
	Beneficial owner	28 April 2017	1,000,000	0.01%
Wang Fang	Beneficial owner	28 April 2017	1,000,000	0.01%
Chen Kin Shing	Beneficial owner	28 April 2017	1,000,000	0.01%
			207,680,000	1.31%

Notes: Details of the above share options as required by the Listing Rules have been disclosed in the paragraph headed "Share Option Scheme" in this interim report.

- (i) The percentage represents the number of underlying shares interested divided by the enlarged issue share capital of the Company as at 30 June 2019, assuming all the outstanding share options are exercised.
- (ii) Mr. Zeng Jianhua ("Mr. Zeng") and Mr. Hou Yue ("Mr. Hou") resigned as executive Directors with effect from 26 August 2019.

Save as disclosed above, as at 30 June 2019, none of the Directors and chief executive of the Company, or their respective associates, had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company or the Stock Exchange under the Model Code.

DISCLOSURE OF OTHER INFORMATION *(continued)*

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 30 June 2019, the following persons, other than a Director or chief executive of the Company, had or deemed or taken to have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Nature of interest	Number of shares or underlying shares held	Percentage of shareholding ⁽³⁾
Poly Longma Asset Management Co., Ltd.* 保利龍馬資產管理有限公司	Deemed interest in controlled corporation ⁽¹⁾	9,286,301,000 (L)	62.06%
Shanghai Lianmi Investment Management Co., Ltd.* 上海聯米投資管理有限公司	Deemed interest in controlled corporation ⁽¹⁾	9,286,301,000 (L)	62.06%
Forever Bright Consultants Limited	Deemed interest in controlled corporation ⁽¹⁾	9,286,301,000 (L)	62.06%
Golden Port Holdings Limited	Deemed interest in controlled corporation ⁽¹⁾	9,286,301,000 (L)	62.06%
Pohua JT Capital Partners Limited	Deemed interest in controlled corporation ⁽¹⁾	9,286,301,000 (L)	62.06%
Pohua JT Private Equity Fund L.P.	Beneficial owner ⁽¹⁾	9,286,301,000 (L)	62.06%

DISCLOSURE OF OTHER INFORMATION *(continued)*



SUBSTANTIAL SHAREHOLDERS *(continued)*

Notes:

- (1) Pohua JT Capital Partners Limited is the general partner of Pohua JT Private Equity Fund L.P. Pohua JT Capital Partners Limited is owned as to 32% by Golden Port Holdings Limited. Forever Bright Consultants Limited owns 100% equity interest of Golden Port Holdings Limited, which in turn is owned as to 100% by Shanghai Lianmi Investment Management Co., Ltd. Shanghai Lianmi Investment Management Co., Ltd. is 100% owned by Poly Longma Asset Management Co., Ltd. Accordingly, each of Poly Longma Asset Management Co., Ltd., Shanghai Lianmi Investment Management Co., Ltd., Forever Bright Consultants Limited, Golden Port Holdings Limited and Pohua JT Capital Partners Limited is deemed to be interested in a long position of an aggregate of 9,286,301,000 shares held by Pohua JT Private Equity Fund L.P.
- (2) The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2019 being 14,964,442,519 shares.
- (3) The letter "L" denotes the person's long position in such securities.

Save as disclosed above, as at 30 June 2019, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

DISCLOSURE OF OTHER INFORMATION *(continued)*

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence to the Company and the Company's accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules for its corporate governance practices during the period under review. In the opinion of the Board, save for the deviation as disclosed below, the Company has complied with the applicable code provisions as set out in the CG Code throughout the six months ended 30 June 2019.

Code Provision A.4.1

Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election. However, none of the existing non-executive Directors and independent non-executive Directors are appointed for specific terms but they are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the articles of association of the Company, which stipulates that one-third of the directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from the office by rotation at each annual general meeting. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code in this respect.

Code provision A.2.1

Code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. Mr. Zeng Jianhua was appointed as the Chairman of the Board, the CEO and an executive Director on 6 March 2017. Since then, the Company does not have a separate chairman and CEO. Mr. Zeng Jianhua currently performs these two roles. The Board believes that vesting the roles of both chairman and CEO has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will review the management structure regularly and consider separating the roles of the chairman and CEO if and when appropriate.

DISCLOSURE OF OTHER INFORMATION (continued)



INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

EVENTS AFTER REPORTING DATE

On 29 April 2019, the Group entered into a sale and purchase agreement with an independent third party to dispose the entire equity interest in 湖州祥暉光伏發電有限公司 (Huzhou Xianghui Solar Power Co., Ltd.*) (“Huzhou Xianghui”) for a total consideration of approximately RMB413,213,000. The transaction was completed on 5 August 2019, Huzhou Xianghui ceased to be a wholly-owned subsidiary of the Company and its financial statements no longer be consolidated to the Group’s financial statements.

On 26 August 2019, Mr. Zeng and Mr. Hou tendered their resignation as executive Directors and Mr. Wong Ying Kit tendered his resignation as company secretary of the Company (the “Company Secretary”) effective from 26 August 2019. Mr. Zeng also ceased to be the chairman of the Board (the “Chairman”), the CEO and a member of each of the remuneration committee of the Board (the “Remuneration Committee”) and the nomination committee of the Board (the “Nomination Committee”) with effect from 26 August 2019. Mr. Jin Yanbing, an executive Director, has been appointed as the Chairman, the CEO and a member of each of the Remuneration Committee and the Nomination Committee with effect from 26 August 2019. On 26 August 2019, Mr. Jiang Hengwen and Ms. Wu Wennan were appointed as non-executive Directors and an independent non-executive Director respectively, and Mr. Chen Cong was appointed as the Company Secretary. For details, please refer to the announcement of the Company dated 26 August 2019.

Save as disclosed above, there are no important events affecting the Group which have occurred after 30 June 2019 and up to the date of this interim report.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Model Code as the code for dealing in securities of the Company by the Directors. The Company confirms that, having made specific enquiries with all the Directors, all the Directors have complied with the required standard of the Model Code during the six months ended 30 June 2019.

DISCLOSURE OF OTHER INFORMATION *(continued)*

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2019, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee has reviewed, with no disagreement, the Group's condensed consolidated financial statements for the six months ended 30 June 2019 and has also reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters.

CHANGES OF INFORMATION OF DIRECTORS

The changes in the information of the Directors since the publication of the annual report of the Company for the financial year ended 31 December 2018 required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Name of Directors	Details of Changes
Executive Directors	
Mr. Jin Yanbing	Appointed as the Chairman, the CEO and a member of each of the Remuneration Committee and the Nomination Committee with effect from 26 August 2019.
Mr. Zeng Jianhua	Resigned as an executive Director and ceased to be the Chairman, the CEO and a member of each of the Remuneration Committee and the Nomination Committee with effect from 26 August 2019.
Mr. Hou Yue	Resigned as an executive Director with effect from 26 August 2019.

DISCLOSURE OF OTHER INFORMATION *(continued)*



CHANGES OF INFORMATION OF DIRECTORS *(continued)*

Name of Directors	Details of Changes
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Non-executive Director

Mr. Jiang Hengwen (“Mr. Jiang”) Appointed as a non-executive Director with effect from 26 August 2019.

Independent non-executive Director

Ms. Wu Wennan (“Ms. Wu”) Appointed as an independent non-executive Director with effect from 26 August 2019.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The biographical details of Mr. Jiang and Ms. Wu are set out in the announcement of the Company dated 26 August 2019.

By order of the Board
Kong Sun Holdings Limited
Zeng Jianhua
Chairman

23 August 2019, Hong Kong

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

(Expressed in Renminbi unless otherwise stated)

	Notes	Six months ended 30 June	
		2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Revenue	3	1,156,690	852,890
Cost of sales		(551,229)	(286,890)
Gross profit		605,461	566,000
Other gains and losses	4	19,352	(10,034)
Administrative expenses		(177,627)	(201,401)
Gain/(loss) on disposal/deregistration of subsidiaries, net	22	37,488	(9,589)
Impairment loss on a disposal group classified as held for sale	17	(98,388)	–
Finance costs	5	(431,828)	(335,809)
Share of losses of associates	12	(196)	(598)
Share of profit of a joint venture	11	12,309	9,908
(Loss)/profit before income tax	6	(33,429)	18,477
Income tax expense	7	(7,480)	(3,507)
(Loss)/profit for the period		(40,909)	14,970
(Loss)/profit for the period attributable to:			
Owners of the Company		(41,617)	14,889
Non-controlling interests		708	81
		(40,909)	14,970
(Loss)/earnings per share attributable to owners of the Company for the period	8		
Basic (RMB cents)		(0.28)	0.10
Diluted (RMB cents)		(0.28)	0.10

The notes on pages 43 to 78 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

(Expressed in Renminbi unless otherwise stated)

	Note	Six months ended 30 June	
		2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
(Loss)/profit for the period		(40,909)	14,970
Other comprehensive income, net of tax			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes in financial assets measured at fair value through other comprehensive income, net	13	(362,695)	(44,482)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		(2,001)	(369)
Other comprehensive income for the period, net of tax		(364,696)	(44,851)
Total comprehensive income for the period		(405,605)	(29,881)
Total comprehensive income attributable to:			
Owners of the Company		(406,313)	(29,962)
Non-controlling interests		708	81
		(405,605)	(29,881)

The notes on pages 43 to 78 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

(Expressed in Renminbi unless otherwise stated)

	Notes	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		35,211	33,034
Solar power plants	10	11,272,955	12,594,456
Interest in a joint venture	11	344,231	331,922
Interests in associates	12	13,094	13,290
Goodwill		149,151	149,197
Right-of-use assets	2	446,874	–
Lease prepayments		–	245,928
Financial assets measured at fair value through other comprehensive income	13	1,783,789	2,047,434
Deferred tax assets		2,136	2,360
		14,047,441	15,417,621
Current assets			
Financial assets measured at fair value through profit or loss	14	34,658	81,143
Inventories		724	3,058
Trade, bills and other receivables	15	4,937,171	4,646,076
Structured bank deposits		–	9,230
Cash and cash equivalents	16	179,217	256,310
		5,151,770	4,995,817
Assets of a disposal group classified as held for sale	17	862,687	6,678
Total current assets		6,014,457	5,002,495
Current liabilities			
Trade and other payables	18	1,830,342	1,903,547
Lease liabilities	2	12,101	–
Contract liabilities		5,609	8,038
Loans and borrowings	19	974,530	890,610
Corporate bonds	20	2,635	55,870
Tax payable		1,940	5,221
		2,827,157	2,863,286
Liabilities of a disposal group classified as held for sale	17	451,642	6,864
Total current liabilities		3,278,799	2,870,150
Net current assets		2,735,658	2,132,345
Total assets less current liabilities		16,783,099	17,549,966

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 30 June 2019

(Expressed in Renminbi unless otherwise stated)

	Notes	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities	2	216,824	–
Loans and borrowings	19	10,098,951	10,726,625
Corporate bonds	20	259,201	219,513
Deferred tax liabilities		3,099	–
		10,578,075	10,946,138
NET ASSETS		6,205,024	6,603,828
CAPITAL AND RESERVES			
Share capital	21	6,486,588	6,486,588
Reserves		(364,842)	34,670
Equity attributable to owners of the Company		6,121,746	6,521,258
Non-controlling interests		83,278	82,570
TOTAL EQUITY		6,205,024	6,603,828

The notes on pages 43 to 78 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

(Expressed in Renminbi unless otherwise stated)

Note	Equity attributable to the owners of the Company									
	Share capital	PRC statutory reserve	Exchange reserve	Available-for-sale assets reserve	Fair value through other comprehensive income reserve	Equity-settled share-based payment reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Balance at 31 December 2017	6,486,588	75,067	(46,952)	(20,712)	-	103,831	(90,051)	6,507,771	38,720	6,546,491
Initial application of HKFRS 9	-	-	-	20,712	35,004	-	(19,115)	36,601	-	36,601
Balance at 1 January 2018 (Restated)	6,486,588	75,067	(46,952)	-	35,004	103,831	(109,166)	6,544,372	38,720	6,583,092
Profit for the period	-	-	-	-	-	-	14,889	14,889	81	14,970
Other comprehensive income, net of tax	-	-	(369)	-	(44,482)	-	-	(44,851)	-	(44,851)
Total comprehensive income, net of tax	-	-	(369)	-	(44,482)	-	14,889	(29,962)	81	(29,881)
Equity-settled share-based transactions	6(a)	-	-	-	-	17,565	-	17,565	-	17,565
Lapse of share options	-	-	-	-	-	(2,882)	2,882	-	-	-
Appropriation to PRC statutory reserves	-	7,582	-	-	-	-	(7,582)	-	-	-
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	648	648	(35,734)	(35,086)
Balance at 30 June 2018	6,486,588	82,649	(47,321)	-	(9,478)	118,514	(98,329)	6,532,623	3,067	6,535,690
Balance at 1 January 2019	6,486,588	130,538	(48,703)	-	(36,448)	130,020	(140,737)	6,521,258	82,570	6,603,828
Loss for the period	-	-	-	-	-	-	(41,617)	(41,617)	708	(40,909)
Other comprehensive income, net of tax	-	-	(2,001)	-	(362,695)	-	-	(364,696)	-	(364,696)
Total comprehensive income, net of tax	-	-	(2,001)	-	(362,695)	-	(41,617)	(406,313)	708	(405,605)
Equity-settled share-based transactions	6(a)	-	-	-	-	6,801	-	6,801	-	6,801
Lapse of share options	-	-	-	-	-	(3,224)	3,224	-	-	-
Appropriation to PRC statutory reserves	-	1,184	-	-	-	-	(1,184)	-	-	-
Balance at 30 June 2019	6,486,588	131,722	(50,704)	-	(399,143)	133,597	(180,314)	6,121,746	83,278	6,205,024

The notes on pages 43 to 78 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019
(Expressed in Renminbi unless otherwise stated)

	Six months ended 30 June	
	2019	2018
<i>Notes</i>	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net cash generated from operations	123,843	105,480
Tax paid	(6,189)	(2,951)
	117,654	102,529
Cash flows from investing activities		
Payment for construction costs in respect of solar power plants	(40,263)	(368,723)
Proceeds from disposal of subsidiaries, net of cash disposed	22 166,723	364
Payment for purchase of financial assets measured at fair value through other comprehensive income	(99,050)	(206,000)
Receipt from disposal of financial assets measured at fair value through profit or loss	14 38,838	75,062
Receipt from disposal of financial assets measured at fair value through other comprehensive income	-	45,000
Payment for acquisition of additional interest in subsidiaries	-	(35,086)
Decrease in structured bank deposits, net	9,230	-
Other cash flows generated from/(used in) investing activities	13,523	(5,979)
	89,001	(495,362)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

For the six months ended 30 June 2019

(Expressed in Renminbi unless otherwise stated)

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flow from financing activities		
Proceeds from new loans and borrowings	683,000	862,000
Repayment of loans and borrowings	(541,969)	(368,665)
Proceeds from issuance of corporate bonds	34,227	96,993
Repayment of corporate bonds	(54,099)	(135,739)
Payment of lease liabilities	(10,865)	–
Interest paid	(392,442)	(260,632)
Other cash flows used in financing activities	–	(213)
Net cash generated from financing activities	(282,148)	193,744
Net decrease in cash and cash equivalents	(75,493)	(199,089)
Cash and cash equivalents at 1 January	256,645	445,638
Effect of foreign exchange rate changes	(1,665)	(683)
Cash and cash equivalents at 30 June	179,487	245,866
Cash and cash equivalents as at 1 January, represented by:		
Bank balances and cash	256,310	445,638
Bank balances and cash included in assets classified as held for sale	335	–
	256,645	445,638
Cash and cash equivalents as at 30 June, represented by:		
Bank balances and cash	179,217	445,638
Bank balances and cash included in assets classified as held for sale	270	–
	179,487	445,638

The notes on pages 43 to 78 form part of this interim report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). It was authorised for issued on 23 August 2019.

The financial information relating to the financial year ended 31 December 2018 that is included in the condensed consolidated interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) of the Laws of Hong Kong (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6, to the Companies Ordinance.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The preparation of interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited interim financial information contains the condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

1. BASIS OF PREPARATION *(continued)*

These condensed consolidated interim financial information are unaudited and have not been reviewed by the auditors, but have been reviewed by the audit committee of the Company (“Audit Committee”) and approved and authorised for issue by the Board on 23 August 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost convention except for certain financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss which are stated at fair values.

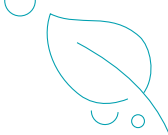
The accounting policies used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the financial statements contained in the 2018 annual report except for the adoption of the new standards, amendments or interpretations issued by the HKICPA which are mandatory for the annual periods beginning on or after 1 January 2019.

For the six months ended 30 June 2019, the Group have applied for the first time the following new/revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2019:

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 16, Leases
- HK(IFRIC) 23, Uncertainty over income tax treatments
- HKFRS 9 (Amendments), Prepayment features with negative compensation
- HKAS 28 (Amendments), Long-term interests in associates and joint venture
- HKAS 19 (Amendments), Plan amendment, curtailment or settlement
- Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 included in Annual Improvements to HKFRSs 2015–2017 Cycle

The impact of the adoption of HKFRS 16 Leases has been summarised in below. Other new or amended HKFRSs that are effective from 1 January 2019 did not have any material impact on the Group’s accounting policies.



2. SIGNIFICANT ACCOUNTING POLICIES (continued)

HKFRS 16 Leases (“HKFRS 16”)

The Group adopted HKFRS 16 using the modified retrospective approach a date of initial application of 1 January 2019, under which the cumulative effect of initial application is recognised as at 1 January 2019. As a result, the consolidated statement of financial position as at 31 December 2018 has not been restated. HKFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of HKFRS 16 is described below.

Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to HKFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with HKAS 17 — *Leases* (“HKAS 17”) and HK(IFRIC)-Int 4 — *Determining whether an Arrangement contains a Lease* will continue to be applied to leases entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. HKFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

In preparation for the first-time application of HKFRS 16, the Group assessed that the new definition in HKFRS 16 will not change significantly the scope of contracts that meet the definition of a lease for the Group.

Impact on lessee accounting

HKFRS 16 changes how the Group accounts for leases previously classified as operating leases under HKAS 17, which were off-balance-sheet. Upon initial application of HKFRS 16, for all leases (except for short-term leases and leases of low value assets), the Group (a) recognises right-of-use assets and lease liabilities in the condensed consolidated statement of financial position, initially measured at the present value of future lease payments; (b) recognises depreciation of right-of-use assets and interest on lease liabilities in the condensed consolidated statement of profit or loss and other comprehensive income; and (c) separately presented the total amount of cash paid into a principal portion and interest within financing activities and investing activities in the condensed consolidated statement of cash flows.

Under HKFRS 16, right-of-use assets are tested for impairment in accordance with HKAS 36 — *Impairment of Assets*. This replaces the previous requirement to recognise a provision for onerous lease contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

HKFRS 16 Leases (“HKFRS 16”) (continued)

Impact on lessee accounting (continued)

As at 31 December 2018, the Group had operating lease commitment of approximately RMB245,356,000. On transition to HKFRS 16, the Group has taken advantage of the following practical expedients to leases previously classified as operating leases under HKAS 17 and recognised right-of-use assets measured at the amount equal to the lease liability, adjusted by the amount of any prepayments relating to that lease recognised in the condensed consolidated statement of financial position.

The aggregate lease liability recognised in the condensed consolidated statement of financial position as at 1 January 2019 and the Group’s operating lease commitment as at 31 December 2018 is reconciled as follows:

	RMB’000 (Unaudited)
Operating lease commitment as at 31 December 2018	245,356
Add: Lease payments for the additional periods where the Group considers it reasonably certain that will not exercise the early termination options	209,102
	454,458
Discounting effect	(186,137)
Lease liabilities recognised as at 1 January 2019	268,321

The weighted average incremental borrowing rate as at 1 January 2019 was 6.73%.

Prepaid lease payment in respect of the land use right in the People’s Republic of China (the “PRC”) is reclassified and recognised as right-of-use assets under HKFRS 16.

The adjustment of the opening balances (affected items only) resulting from the initial application of the HKFRS 16 as at 1 January 2019 is set out in the table below. The prior-year amounts were not adjusted.

	As at 31 December 2018 RMB’000 (Originally stated)	Reclassification RMB’000	Contract capitalisation RMB’000	As at 1 January 2019 RMB’000
Assets:				
— Lease prepayments	245,928	(245,928)	—	—
— Right-of-use assets	—	245,928	268,321	514,249
Liabilities:				
— Lease liabilities	—	—	(268,321)	(268,321)



3. REVENUE AND SEGMENT INFORMATION

A. Revenue

Revenue mainly represents income from sales of electricity (including renewable energy subsidies), income from provision of solar power plant operation and maintenance services, interest income generated from provision of financial services and trading of liquefied natural gas (“LNG”). The amount of each significant category of revenue during the period is as follows:

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of electricity	908,475	846,251
Trading of LNG	230,020	–
Provision of solar power plant operation and maintenance services	545	1,082
Interest income generated from provision of financial services	17,650	5,246
Others	–	311
	1,156,690	852,890

During the six months ended 30 June 2019, sales of electricity includes renewable energy subsidies amounted to approximately RMB576,556,000 (six months ended 30 June 2018: RMB527,885,000).

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information

(i) *Business segments*

The Board has identified the solar power plants, financial services, trading of LNG and other segments as the principal business components of the Group. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2019 and 2018 is set out below.

	Six months ended 30 June 2019				
	Solar power plants RMB'000 (Unaudited)	Trading of LNG RMB'000 (Unaudited)	Financial Services RMB'000 (Unaudited)	Other Segments RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	909,020	230,020	17,650	-	1,156,690
Inter-segment revenue	-	-	-	-	-
Reportable segment revenue	909,020	230,020	17,650	-	1,156,690
Reportable segment profit/(loss) (adjusted EBITDA)	766,489	(632)	4,236	-	770,093
Primary geographical markets					
PRC	909,020	230,020	17,650	-	1,156,690
Hong Kong	-	-	-	-	-
	909,020	230,020	17,650	-	1,156,690
Timing of revenue recognition					
At a point in time	-	230,020	-	-	230,020
Transferred over time	909,020	-	17,650	-	926,670
	909,020	230,020	17,650	-	1,156,690
At as 30 June 2019					
Reportable segment assets	17,007,459	52,594	333,022	-	17,393,075
Reportable segment liabilities	12,820,863	44,616	120,538	-	12,986,017

3. REVENUE AND SEGMENT INFORMATION (continued)

B. Segment information (continued)

(i) Business segments (continued)

	Six months ended 30 June 2018				
	Solar power plants RMB'000 (Unaudited)	Trading of LNG RMB'000 (Unaudited)	Financial Services RMB'000 (Unaudited)	Other Segments RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	847,333	-	5,246	311	852,890
Inter-segment revenue	-	-	-	-	-
Reportable segment revenue	847,333	-	5,246	311	852,890
Reportable segment profit/(loss) (adjusted EBITDA)	780,915	-	(87)	(570)	780,258
Primary geographical markets					
PRC	847,333	-	5,246	-	852,579
Hong Kong	-	-	-	311	311
	847,333	-	5,246	311	852,890
Timing of revenue recognition					
At a point in time	-	-	-	304	304
Transferred over time	847,333	-	5,246	7	852,586
	847,333	-	5,246	311	852,890
At as 31 December 2018 (audited)					
Reportable segment assets	17,117,992	47,720	218,714	4,474	17,388,900
Reportable segment liabilities	12,739,593	38,329	8,523	9,104	12,795,549

3. REVENUE AND SEGMENT INFORMATION (continued)

B. Segment information (continued)

(ii) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	1,156,690	852,890
Elimination of inter-segment revenue	-	-
Consolidated revenue	1,156,690	852,890
Profit		
Reportable segment profit	770,093	780,258
Other gains and losses	9,325	28,615
Net unrealised loss on fair value changes		
on financial assets measured		
at fair value through profit or loss	(6,011)	(10,539)
Net realised loss on disposal of		
financial assets measured		
at fair value through profit or loss	(1,154)	(53,613)
Depreciation and amortisation	(269,982)	(248,055)
Gain/(loss) on disposal/ deregistration		
of subsidiaries, net	37,488	(9,589)
Impairment loss of a disposal group		
classified as held for sale	(98,388)	-
Share of profit of a joint venture	12,309	9,908
Share of losses of associates	(196)	(598)
Finance costs	(431,828)	(335,809)
Equity-settled share-based		
payment expenses	(6,801)	(17,565)
Unallocated corporate expenses (note (a))	(48,284)	(124,536)
Consolidated (loss)/profit before		
income tax	(33,429)	18,477

3. REVENUE AND SEGMENT INFORMATION (continued)

B. Segment information (continued)

(ii) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities (continued)

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Assets		
Reportable segment assets	17,393,075	17,388,900
Interest in a joint venture	344,231	331,922
Interests in associates	13,094	13,290
Financial assets measured at fair value through other comprehensive income	1,783,789	2,047,434
Financial assets measured at fair value through profit or loss	34,658	81,143
Structured bank deposits	–	9,230
Deferred tax assets	2,136	2,360
Unallocated corporate assets (note (b))	490,915	545,837
Consolidated total assets	20,061,898	20,420,116
Liabilities		
Reportable segment liabilities	12,986,017	12,795,549
Corporate bonds	261,836	275,383
Deferred tax liabilities	3,099	–
Unallocated corporate liabilities (note (c))	605,922	745,356
Consolidated total liabilities	13,856,874	13,816,288

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information *(continued)*

(ii) *Reconciliation of reportable segment revenues, profit or loss, assets and liabilities (continued)*

Notes:

- (a) Unallocated corporate expenses mainly included unallocated staff costs, unallocated legal and professional fees and unallocated rental expenses.
- (b) Unallocated corporate assets mainly included unallocated cash and cash equivalents and unallocated trade and other receivables.
- (c) Unallocated corporate liabilities mainly included unallocated trade and other payables.

(iii) *Geographic information*

As the Group does not have material operation outside the PRC, no geographic segment information is presented.

4. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income	889	957
Dividend income	10,890	24,266
Net foreign exchange (loss)/gain	(2,454)	3,392
Net unrealised loss on fair value changes on financial assets measured at fair value through profit or loss	(6,011)	(10,539)
Net realised loss on disposal of financial assets measured at fair value through profit or loss <i>(note 14)</i>	(1,154)	(53,613)
Write back of other payables	–	7,007
Properties rental income	13,656	16,891
Government allowance	3,576	–
Others	(40)	1,605
	19,352	(10,034)

5. FINANCE COSTS

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Interest on loans and borrowings	420,196	332,611
Imputed interest on corporate bonds (note 20)	12,607	19,007
Interest on lease liabilities	9,297	–
Finance charges on obligations under finance leases	–	5
Total interest expense on financial liabilities not at fair value through profit or loss	442,100	351,623
Less: interest expense capitalised into solar power plants under construction*	(10,272)	(15,814)
	431,828	335,809

* For the six months ended 30 June 2019, borrowing cost has been capitalised at a rate of approximately 7% (six months ended 30 June 2018: 7%) per annum.

6. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging:

A. Employee benefit expenses (including directors' emoluments)

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Salaries, wages and other benefits	93,294	106,115
Contributions to defined contribution retirement plan	11,544	12,546
Equity-settled share-based payment expenses	6,801	17,565
	111,639	136,226

6. PROFIT BEFORE INCOME TAX (continued)

B. Other items

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Auditor's remuneration	284	500
Amortisation of lease prepayments	–	11,158
Cost of inventories	229,218	202
Depreciation		
— Property, plant and equipment	3,902	4,184
— Solar power plants	251,753	232,713
— Right-of-use assets	14,327	–
Operating lease expenses in respect of short-term leases	17,179	–
Operating lease charges	–	32,026

7. INCOME TAX EXPENSE

The amount of income tax expense in the condensed consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Current tax		
— PRC corporate income tax	4,157	3,507
Deferred tax	3,323	–
	7,480	3,507

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in Hong Kong during the six months ended 30 June 2019 and 2018.

The Group's PRC entities are subject to corporate income tax at the statutory rate of 25%, unless otherwise specified.



7. INCOME TAX EXPENSE (continued)

Pursuant to CaiShui [2008] No. 46 Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment* (財政部、國家稅務總局關於執行公共基礎設施項目企業所得稅優惠目錄有關問題的通知), certain solar power plant projects of the Group, which are approved after 1 January 2008, are entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective years in which their first operating income is derived.

According to the PRC Corporate Income Tax Law and its related regulations, the Group is subject to a withholding tax at 10%, unless reduced by tax treaties or arrangements, for dividends distributed by a PRC enterprise to its immediate holding company outside the PRC or earnings generated beginning on 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. According to the China — HK Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” of the dividends received and directly holds 25% or more of a PRC enterprise is entitled to a reduced withholding rate of 5%. Deferred withholding tax payable relating to the temporary differences arising from the undistributed profits of the Group’s PRC subsidiaries has not been recognised as the Company controls the dividend policy of the Group’s PRC subsidiaries and it has been determined that it is probable that profits will not be distributed in the foreseeable future.

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD

The calculation of basic and diluted (loss)/earnings per share for the six months ended 30 June 2019 is based on loss attributable to owners of the Company for the period of approximately RMB41,617,000 (six months ended 30 June 2018: profit of approximately RMB14,889,000) and on the weighted average number of approximately 14,964,442,000 (six months ended 30 June 2018: 14,964,442,000) ordinary shares in issue during the period.

Diluted (loss)/earnings per share for the six months ended 30 June 2019 and 2018 was the same as basic (loss)/earnings per share because the impact of the exercise of share options was anti-dilutive.

9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2019 nor has any dividend been proposed since the end of the reporting period up to the date of this interim report (six months ended 30 June 2018: Nil).

10. SOLAR POWER PLANTS

During the six months ended 30 June 2019, the Group increased its investments in solar power plants of approximately RMB30,794,000 (six months ended 30 June 2018: RMB18,468,000). During the six months ended 30 June 2019, the Group successfully completed the disposals of two completed solar power plants with total installed capacity of 60 megawatts (“MW”).

Solar power plants under construction would be transferred to solar power plants when the solar power plants complete their trial operations and are connected to provincial power grid and generate electricity.

As at 30 June 2019, certain solar power plants with carrying amount of approximately RMB1,173,486,000 (31 December 2018: RMB1,642,812,000) were constructed and built on lands in the PRC which the Group has not yet paid the related land premium and obtained the relevant title certificates. The Directors do not expect any legal obstacles for the Group in obtaining the relevant title certificates.

As at 30 June 2019, certain solar power plants with carrying amount of approximately RMB9,171,067,000 (31 December 2018: RMB8,027,467,000) were pledged as securities for the Group’s loans and borrowings (note 19).

11. INTEREST IN A JOINT VENTURE

As at 30 June 2019 and 31 December 2018, the Group held 55% equity interest in 江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*) (“Kong Sun Baoyuan”), a company incorporated in the PRC and primarily engaged in the finance leases and factoring businesses in the PRC.

The joint venture arrangement provides the Group with only the rights to the net assets of Kong Sun Baoyuan, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with Kong Sun Baoyuan. Under HKFRS 11, this joint arrangement is classified as a joint venture and has been accounted for in the condensed consolidated financial statements using equity method.

On 21 March 2019, the Group entered into a sale and purchase agreement with a connected person of the Company at the subsidiary level to dispose 17.4% equity interests in Kong Sun Baoyuan for a total consideration of RMB105,000,000 (the “Partial Disposal”). Upon completion, the Group’s equity interest in Kong Sun Baoyuan will decreased from 55% to 37.6%, Kong Sun Baoyuan will cease to be a joint venture of the Company and become an associate of the Company under HKAS 28. For details, please refer to the announcement of the Company dated 21 March 2019. As at 30 June 2019 and the date of this report, the Partial Disposal has not been completed and Kong Sun Baoyuan remains as a joint venture of the Company.



12. INTERESTS IN ASSOCIATES

Particulars of the associates as at 30 June 2019 and 31 December 2018 are as follows:

Name	Place of incorporation and principal place of operation	Percentage of ownership interest/ voting rights	Principal activity
通服商業保理有限責任公司 (Tongfu Commercial Factoring Co., Ltd.*)	PRC	10% (31 December 2018: 10%)	Factoring business
蘇州中能鼎立電子商務有限公司 (Suzhou Zhongneng Dingli E-commercial Co., Ltd.*)	PRC	10% (31 December 2018: 10%)	LNG trading platform development and business in relation to LNG management
東台瀾晶光伏有限公司 (Dongtai Lanjing Photovoltaic Co., Ltd.*)	PRC	36.79% (31 December 2018: 36.79%)	Solar power generation and development

The arrangement of the above investments provided the Group with the power to participate in the financial and operating decision but was not in control nor jointly control over those policies. Under HKAS 28, these entities were classified as associates and had been accounted for in the condensed consolidated financial statements using equity method.

13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Financial assets measured at fair value through other comprehensive income		
Unlisted partnership investments (note (a))	1,140,777	1,041,727
Unlisted equity investments (note (b))	643,012	1,005,707
	1,783,789	2,047,434

Notes:

- (a) As at 30 June 2019 and 31 December 2018, the Group's unlisted partnership investments included the followings:
- (i) On 21 August 2018, a wholly-owned subsidiary of the Company, as a junior limited partner, and the other two partners, being independent third parties to the Group, entered into a limited partnership, namely 蘇州君盛晶石股權投資合夥企業(有限合夥) (Suzhou Junsheng Jingshi Equity Investment Partnership (Limited Partnership)*) ("Suzhou Junsheng Limited Partnership") pursuant to the partnership agreement ("Suzhou Junsheng Partnership Agreement") for carrying out investments in high-tech, energy sector and other high growth unlisted enterprises. Pursuant to the Suzhou Junsheng Partnership Agreement, the total capital contribution of Suzhou Junsheng Limited Partnership shall amount to RMB1,000,100,000, in which the Group's capital contribution is approximately 49.995% (equivalent to approximately RMB500,000,000).



13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(continued)*

Notes: *(continued)*

(a) *(continued)*

(i) *(continued)*

On 29 January 2019, the Group entered into investment and repurchase agreements (“Investment and Repurchase Agreements”) with Suzhou Junsheng Limited Partnership, pursuant to which, Suzhou Junsheng Limited Partnership contributed a capital of RMB185,000,000 to 朔州市永暘新能源有限公司 (Shuozhou City Yongyang New Energy Limited*) (“Shuozhou Yongyang”), a wholly owned subsidiary of the Company which primarily engaged in wind power generation and development, and holds approximately 99.46% equity interests of Shuozhou Yongyang, upon completion of the capital contribution. Pursuant to the Investment and Repurchase Agreements, Suzhou Junsheng Limited Partnership shall transfer to the Group approximately 99.46% equity interests of Shuozhou Yongyang, held by Suzhou Junsheng Limited Partnership, after payment by the Group to the Suzhou Junsheng Limited Partnership of all of the consideration for the transfer. In view of the Group’s power to control the financial and operating policies of Shuozhou Yongyang so as to direct their relevant activities and to obtain significant economic benefits from its activities, the directors of the Company are of the opinion that the arrangement under the Investment and Repurchase Agreements is in substance a financing arrangement with the pledge of the equity interests of Shuozhou Yongyang and therefore Shuozhou Yongyang are treated as a wholly-owned subsidiaries of the Company.

As at 30 June 2019, the Group’s actual capital contribution paid in Suzhou Junsheng Limited Partnership was approximately RMB492,500,000 (31 December 2018: RMB400,000,000).

Pursuant to Suzhou Junsheng Partnership Agreement, Suzhou Junsheng Limited Partnership shall make investments that preserve and increase the value of its assets, and may place idle funds into bank deposits, currency markets and other cash-type assets. Furthermore, it may not borrow debt or provide external guarantees, and cannot engage in high-risk investments such as gold, artwork, real estate project, futures and financial derivatives. Suzhou Junsheng Limited Partnership also cannot invest in products or areas that may harm its reputation of its partners or in areas prohibited by law. In order to manage investment risks, the Group will, through the investment decision committee of Suzhou Junsheng Limited Partnership, procure that Suzhou Junsheng Limited Partnership carefully selects investment targets and properly manages invested assets.

Details of Suzhou Junsheng Limited Partnership are set out in the Company’s announcement and circular dated 21 August 2018 and 21 December 2018, respectively.

13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(continued)*

Notes: *(continued)*

(a) *(continued)*

- (ii) On 13 December 2017, a wholly-owned subsidiary of the Company, as a junior limited partner, and the other two partners, being independent third parties to the Group, entered into a limited partnership, namely 台州久安股權投資合夥企業(有限合夥) (Taizhou Jiuan Equity Investment Partnership (Limited Partnership)*) (“Taizhou Jiuan Limited Partnership”) pursuant to the partnership agreement (“Taizhou Jiuan Partnership Agreement”) for carrying out investments in high-tech, new industries, energy sector and other high growth unlisted enterprises. Pursuant to the Taizhou Jiuan Partnership Agreement, the total capital contribution of Taizhou Jiuan Limited Partnership shall amount to RMB2,501,000,000, in which the Group’s capital contribution is approximately 19.99% (equivalent to approximately RMB500,000,000). As at 30 June 2019, the Group’s actual capital contribution paid in Taizhou Jiuan Limited Partnership was approximately RMB300,000,000 (31 December 2018: RMB300,000,000).

Pursuant to Taizhou Jiuan Partnership Agreement, Taizhou Jiuan Limited Partnership shall make investments that preserve and increase the value of its assets, and may place idle funds into bank deposits, currency markets and other cash-type assets. Furthermore, it may not borrow debt or provide external guarantees, and cannot engage in high-risk investments such as gold, artwork, real estate project, futures and financial derivatives. Taizhou Jiuan Limited Partnership also cannot invest in products or areas that may harm its reputation of its partners or in areas prohibited by law. In order to manage investment risks, the Group will, through the investment decision committee of Taizhou Jiuan Limited Partnership, procure that Taizhou Jiuan Limited Partnership carefully selects investment targets and properly manages invested assets.

Details of the Taizhou Jiuan Limited Partnership are set out in the Company’s announcements dated 30 September 2017 and 13 December 2017, respectively.



13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

Notes: (continued)

(a) (continued)

- (iii) On 22 September 2017, a wholly-owned subsidiary of the Company, as a senior limited partner, and the other two partners, being independent third parties to the Group, entered into a limited partnership, namely 霍爾果斯鑫和優美股權投資合夥企業(有限合夥) (Huoerguosi Xinheyumei Equity Investment Partnership (Limited Partnership)* (“Huoerguosi Limited Partnership”), pursuant to the partnership agreement (“Huoerguosi Partnership Agreement”) for carrying out investments primarily in elderly care, tourism and cultural industries. Pursuant to Huoerguosi Partnership Agreement, the total capital contribution of Huoerguosi Limited Partnership shall amount to RMB200,000,000, in which the Group’s capital contribution is approximately 89.55% (equivalent to approximately RMB179,100,000). As at 30 June 2019, the carrying amount of the Group’s investment in Huoerguosi Limited Partnership was approximately RMB93,277,000 (31 December 2018: RMB86,727,000).
- (iv) On 11 October 2016, a wholly-owned subsidiary of the Company, as a junior limited partner, and the other two partners (collectively, the “Partners”), being independent third parties to the Group, entered into a partnership agreement (the “Jiaxing Shengshi Agreement”), pursuant to which all parties agreed to establish a limited partnership, namely 嘉興盛世神州永贏投資合夥企業(有限合夥) (Jiaxing Shengshi Shenzhou Yongying Investment Partnership (Limited Partnership)* (“Jiaxing Shengshi Limited Partnership”) for carrying out investments primarily in the high-tech and emerging industries, the energy industry and other high-growth unlisted enterprises. Pursuant to the Jiaxing Shengshi Agreement, the total capital contribution of Jiaxing Shengshi Limited Partnership shall be RMB3,001,000,000, in which the Group’s capital contribution is approximately 15% (equivalent to approximately RMB450,000,000). On 19 December 2016, the Partners entered into a supplemental agreement to the Jiaxing Shengshi Agreement, pursuant to which the Partners agreed to reduce the size of the total capital contribution from RMB3,001,000,000 to RMB1,701,000,000, in which the Group’s capital contribution is approximately 15% (equivalent to approximately RMB255,000,000). As at 30 June 2019, the Group’s actual capital contribution paid in Jiaxing Shengshi Limited Partnership was approximately RMB255,000,000 (31 December 2018: RMB255,000,000).

Details of the Jiaxing Shengshi Limited Partnership are set out in the Company’s announcements dated 11 October 2016, 18 October 2016 and 19 December 2016, respectively.

13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(continued)*

Notes: *(continued)*

- (b) As at 30 June 2019 and 31 December 2018, included in the Group's unlisted equity investments, included the followings:
- (i) On 30 December 2016 and 27 February 2017, the Group entered into two subscription agreements with 內蒙古呼和浩特金谷農村商業銀行股份有限公司 (Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company*) ("Hohhot Jingu Bank"), a joint stock company incorporated in the PRC, being independent third party to the Group, to subscribe for 6,600,000 shares and 57,124,844 shares of Hohhot Jingu Bank respectively at RMB3 per subscription share (the "Subscription A" and the "Subscription B", respectively). On 14 December 2017, the Group entered into another subscription agreement with Hohhot Jingu Bank to subscribe for 24,875,156 subscription shares at RMB3 per subscription share at total consideration of approximately RMB74,625,000 (the "Subscription C"). On 12 June 2018, the Group entered into a termination agreement (the "Termination Agreement") with Hohhot Jingu Bank to terminate the Subscription C.

The total consideration of the Subscription A and Subscription B was approximately RMB191,174,000. During the year ended 31 December 2018, the Group received bonus issue of 8,875,316 shares of Hohhot Jingu Bank. Upon the receipt of bonus issue and as at 30 June 2019 and 31 December 2018, the Group held an aggregate of 72,600,160 shares of Hohhot Jingu Bank, representing approximately 4.89% of the issued share capital of Hohhot Jingu Bank.

Details of the subscription agreements and the Termination Agreement with Hohhot Jingu Bank are set out in the Company's announcements dated 27 February 2017, 14 December 2017 and 22 June 2018, respectively.

For the six months ended 30 June 2019, a fair value gain of approximately RMB597,000 (six months ended 30 June 2018: a fair value loss of approximately RMB75,787,000) was recognised in other comprehensive income. As at 30 June 2019, the approximately 4.89% equity interests in Hohhot Jingu Bank of approximately RMB193,146,000 (31 December 2018: RMB192,549,000) was determined with reference to the valuation report prepared by China Appraisals Associates, an independent professional qualified valuer.



13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(continued)*

Notes: *(continued)*

(b) *(continued)*

- (ii) As at 30 June 2019, the unlisted equity investment, at fair value, represents approximately 2.52% (31 December 2018: 2.52%) and approximately 1.38% (31 December 2018: 1.38%) of the total number of domestic shares and the total number of shares (including domestic shares and H-shares) of Bank of Jinzhou Co., Ltd. ("Jinzhou Bank"), respectively. On 30 March 2017, a wholly-owned subsidiary of the Company entered into two share transfer agreements with two vendors, being independent third party to the Group, to acquire 107,500,000 domestic shares of Jinzhou Bank, a bank based in the PRC, at the price of RMB7.9161 per domestic share. The total consideration of the acquisition of the shares of Jinzhou Bank was approximately RMB850,981,000. Details of the acquisitions are set out in the Company's announcements dated 30 March 2017 and 31 March 2017, respectively.

The unlisted equity investment in Jinzhou Bank is measured at fair value. For the six months ended 30 June 2019, a fair value loss of approximately RMB363,292,000 (six months ended 30 June 2018: a fair value gain of approximately RMB31,305,000) was recognised in other comprehensive income. The fair value of the unlisted equity investment of Jinzhou Bank as at 30 June 2019 of approximately RMB449,866,000 (31 December 2018: RMB813,158,000) was determined with reference to the valuation report prepared by Royson Valuation Advisory Limited, an independent professional qualified valuer.

As at 30 June 2019, the unlisted equity investments measured at fair value with the carrying amount of approximately RMB449,866,000 (31 December 2018: RMB813,158,000) were pledged as securities for the Group's loans and borrowings (note 19).

Given that the Group has no power to govern or participate in the financial and operating policies of above partnerships and investment entities so as to obtain benefits from their activities and does not intend to trade for short-term profit, the directors of the Company designated the above unlisted investment as financial assets at fair value through other comprehensive income.

14. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Equity securities listed in Hong Kong	34,658	81,143

During the six months ended 30 June 2019, the Group disposed of approximately 49.0% of its equity securities investment listed in Hong Kong at a consideration of approximately RMB38,838,000 and resulting in a net realised loss on disposal of financial assets measured at fair value through profit or loss of approximately RMB1,154,000 (note 4).

As at 30 June 2019 and 31 December 2018, the fair values of all listed securities are determined directly by reference to the quoted market bid price available on the relevant exchanges.

15. TRADE, BILLS AND OTHER RECEIVABLES

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Trade receivables	2,919,367	2,446,256
Bills receivables	54,897	42,335
Impairment provision for trade receivables	(14,021)	(10,752)
Trade and bills receivables, net (<i>note (i)</i>)	2,960,243	2,477,839
Other receivables, prepayments and deposits	1,984,328	2,175,637
Impairment provision for other receivables	(7,400)	(7,400)
Other receivables, prepayments and deposits, net	1,976,928	2,168,237
	4,937,171	4,646,076



15. TRADE, BILLS AND OTHER RECEIVABLES (continued)

At 30 June 2019 and 31 December 2018, ageing analysis of net trade and bills receivables, based on invoice dates, are as follows:

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Current or less than 3 months	555,938	543,311
Over 3 months but less than 6 months	381,497	347,084
Over 6 months but less than 12 months	574,114	611,903
Over 12 months but less than 24 months	1,086,317	855,600
Over 24 months	362,377	119,941
	2,960,243	2,477,839

Movements in provision for impairment of trade and other receivables for the six months ended 30 June 2019 are as follows:

	Trade receivables RMB'000 (Unaudited)	Other receivables RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
At 1 January 2019	10,752	7,400	18,152
Impairment provision for the period	3,269	–	3,269
At 30 June 2019	14,021	7,400	21,421

15. TRADE, BILLS AND OTHER RECEIVABLES *(continued)*

Notes:

- (i) The Group's trade receivables are mainly receivables from sales of electricity. The bills receivables represented outstanding commercial acceptance bills. Generally, the receivables are due within 30 to 180 days as at 30 June 2019 (31 December 2018: 30 to 180 days) from the date of billing, except for renewable energy subsidies.

Renewable energy subsidies receivables represent PRC government subsidies on solar power plants to be received from the State Grid Company based on the respective electricity sale and purchase agreements for each of the solar power plants and the prevailing nationwide government policies. As at 30 June 2019, the outstanding renewable energy subsidies amounted to approximately RMB2,531,668,000 (31 December 2018: RMB2,179,498,000).

- (ii) As at 30 June 2019, certain trade receivables arising from the sales of electricity amounting to approximately RMB2,115,482,000 (31 December 2018: RMB1,713,102,000) were pledged as securities for the Group's loans and borrowings (note 19).

16. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents of the Group is approximately RMB170,679,000 as at 30 June 2019 (31 December 2018: RMB245,790,000) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

17. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As at 30 June 2019 and 31 December 2018, the assets and liabilities related to Lisun Trading Limited ("Lisun Trading"), a subsidiary in which the Group held as to 100% of the shares in issue, were presented as held for sale following the sale and purchase agreement dated 24 December 2018 entered into between the Group and the purchaser. The principal activities of Lisun Trading was properties investment.

As at 30 June 2019, the assets and liabilities related to 湖州祥暉光伏發電有限公司 (Huzhou Xianghui Solar Power Co., Ltd.*) ("Huizhou Xianghui"), a subsidiary in which the Group held as to 100% of the shares in issue, were presented as held for sale following the sale and purchase agreement dated 29 April 2019 entered into between the Group and the purchaser. The principal activities of Huizhou Xianghui was the operation of solar power plant and electricity generation.

17. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

In accordance with HKFRS 5, assets and liabilities relating to Lisun Trading and Huizhou Xianghui (31 December 2018: Lisun Trading) were classified as held for sale in the condensed consolidated statement of financial position as at 30 June 2019. The disposal did not constitute a discontinued operation as it did not represent a major line of business or geographical area of operation.

The directors of the Company regard the sale proceeds less directly attributable costs which amounted to approximately HK\$19,800,000 (equivalent to approximately RMB17,417,000) and approximately RMB413,213,000 as the fair value less cost of disposal for the disposal of Lisun Trading and Huizhou Xianghui, respectively.

	At 30 June 2019 RMB'000	At 31 December 2018 RMB'000
Property, plant and equipment	2,316	2,450
Solar power plant	708,385	–
Right-of-use asset	42,824	–
Trade and other receivables	207,280	3,893
Cash and cash equivalents	270	335
Impairment loss on a disposal group classified as held for sale	(98,388)	–
Total assets classified as held for sale	862,687	6,678
Trade and other payables	15,505	337
Lease liabilities	38,734	–
Loans and borrowings	396,154	5,283
Deferred tax liabilities	1,249	1,244
Total liabilities classified as held for sale	451,642	6,864

18. TRADE AND OTHER PAYABLES

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Trade payables	1,213,432	1,493,153
Other payables and accruals	616,910	410,394
	1,830,342	1,903,547

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

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Current or less than 3 months	85,797	207,465
Over 3 months but less than 6 months	57,679	7,611
Over 6 months but less than 12 months	23,756	93,951
Over 12 months	1,046,200	1,184,126
	1,213,432	1,493,153

Retention payable amounting to approximately RMB163,547,000 (31 December 2018: RMB323,488,000), which are included in trade and other payables, will be settled after more than one year. All other trade and other payables are expected to be settled within one year or are repayable on demand.



19. LOANS AND BORROWINGS

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Current		
Secured		
— bank loans	320,500	60,500
— other borrowings	654,030	830,110
	974,530	890,610
Non-current		
Secured		
— bank loans	33,000	299,500
— other borrowings	10,065,951	10,427,125
	10,098,951	10,726,625
Total loans and borrowings	11,073,481	11,617,235

The Group's loans and borrowings are repayable as follows:

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Within 1 year	974,530	890,610
After 1 year but within 2 years	1,105,776	1,544,749
After 2 years but within 5 years	6,418,813	6,425,017
After 5 years	2,574,362	2,756,859
	11,073,481	11,617,235

Loans and other borrowings bear interest ranging from 3.8% to 10.25% (31 December 2018: 3.8% to 12.25%) per annum.

19. LOANS AND BORROWINGS (continued)

Analysis of the Group's fixed-rate and floating-rate borrowings are as follows:

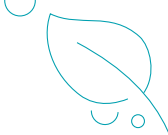
	At 30 June 2019	At 31 December 2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Fixed-rate borrowings	5,232,500	4,918,000
Floating-rate borrowings	5,840,981	6,699,235
	11,073,481	11,617,235

The loans and borrowings were secured by the following assets:

	At 30 June 2019	At 31 December 2018
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Solar power plants (note 10)	9,171,067	8,027,467
Trade receivables (note 15)	2,115,482	1,713,102
Lease prepayments	–	774
Right-of-use assets	750	–
Financial assets measured at fair value through other comprehensive income (note 13)	449,866	813,158
	11,737,165	10,554,501

As at 30 June 2019 and 31 December 2018, loans and borrowings that are secured by the equity interests of certain subsidiaries of the Company are summarised as follows:

- (a) other borrowings of approximately RMB18,000,000 (31 December 2018: RMB18,000,000) were pledged by 100% equity interests of 揚州啟星新能源發展有限公司 (Yangzhou Qixing New Energy Developments Limited*);
- (b) other borrowings of approximately RMB500,000,000 (31 December 2018: RMB500,000,000) were pledged by 86.21% equity interests of 敦煌萬發新能源有限公司 (Dunhuang Wanfa New Energy Limited Company*);
- (c) other borrowings of approximately RMB1,200,000,000 (31 December 2018: RMB1,200,000,000) were pledged by 99.99% equity interests of 江山豐融投資有限公司 (Jiangshan Fengrong Investment Limited*);



19. LOANS AND BORROWINGS (continued)

- (d) other borrowings of approximately RMB275,649,000 (31 December 2018: RMB275,649,000) were pledged by 99.96% equity interests of 六安旭強新能源工程有限公司 (Luan Xuqiang New Energy Engineering Limited*);
- (e) other borrowings of approximately RMB300,000,000 (31 December 2018: RMB300,000,000) were pledged by 99.96% equity interests of 嘉峪關協合新能源有限公司 (Jiayuguan Xiehe New Energy Limited*);
- (f) other borrowings of approximately RMB180,000,000 (31 December 2018: RMB180,000,000) were pledged by 99.96% equity interests of 臨潭天朗新能源科技有限公司 (Lintan Tianlang New Energy Technology Limited*);
- (g) other borrowings of approximately RMB244,351,000 (31 December 2018: RMB244,351,000) were pledged by 99.96% equity interests of 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electric Limited*);
- (h) other borrowings of approximately RMB369,366,000 (31 December 2018: RMB369,366,000) were pledged by 99.96% equity interests of 定邊縣智信達新能源有限公司 (Dingbian County Zhixinda New Energy Limited*);
- (i) other borrowings of approximately RMB130,634,000 (31 December 2018: RMB130,634,000) were pledged by 99.96% equity interests of 化隆縣瑞啟達新能源有限公司 (Hualong County Ruiqida New Energy Limited*);
- (j) other borrowings of approximately RMB1,500,000,000 (31 December 2018: RMB1,500,000,000) were pledged by 99.96% equity interests of 常熟宏略光伏電站開發有限公司 (Changshu Honglu Photovoltaic Power Plants Development Co., Ltd.*);
- (k) other borrowings of approximately RMB260,000,000 (31 December 2018: RMB260,000,000) were pledged by 96.30% equity interests of 黃驛市正陽新能源有限公司 (Huanghua Zhengyang New Energy Limited*);
- (l) other borrowings of approximately RMB280,000,000 (31 December 2018: RMB280,000,000) were pledged by 98.25% equity interests of 阿圖什市華光能源有限公司 (Artux Huaguang Energy Limited*);
- (m) other borrowings of approximately RMB260,000,000 (31 December 2018: RMB260,000,000) were pledged by 99.62% equity interests of 阿圖什市興光能源有限公司 (Artux Xingguang Energy Limited*); and
- (n) other borrowings of approximately RMB185,000,000 (31 December 2018: Nil) were pledged by 99.46% equity interests of Shuozhou Yongyang.

In addition, an independent third party had provided unlimited corporate guarantees to certain of the Group's other borrowings amounting to approximately RMB384,132,000 (31 December 2018: RMB587,227,000).

20. CORPORATE BONDS

As at 30 June 2019, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$326,500,000 (equivalent to approximately RMB287,209,000) (31 December 2018: HK\$344,000,000 (equivalent to approximately RMB301,413,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 7% (31 December 2018: 3% to 9%) per annum, and will mature on the date immediately following 12 to 96 months (31 December 2018: 3 to 96 months) after their issuance.

During the six months ended 30 June 2019, the Group issued corporate bonds with an aggregate principal amount of HK\$44,000,000 (equivalent to approximately RMB38,705,000) (six months ended 30 June 2018: HK\$115,500,000 (equivalent to approximately RMB97,378,000)) to certain independent third parties, the net proceeds of the issued corporate bonds received by the Company were approximately HK\$38,909,000 (equivalent to approximately RMB34,227,000) (six months ended 30 June 2018: HK\$102,795,000 (equivalent to approximately RMB86,666,000)), with total issue cost amounting to approximately HK\$5,091,000 (equivalent to approximately RMB4,478,000) (six months ended 30 June 2018: HK\$12,705,000 (equivalent to approximately RMB10,712,000)).

During the six months ended 30 June 2019, the Group repaid HK\$61,500,000 (equivalent to approximately RMB54,099,000) (six months ended 30 June 2018: HK\$161,000,000 (equivalent to approximately RMB135,739,000)) in aggregate principal amount of the corporate bonds.

The corporate bonds are measured at amortised cost using effective interest method by applying an effective interest rate ranging from 10.24% to 14.56% (six months ended 30 June 2018: 10.24% to 10.46%) per annum. Imputed interest of approximately HK\$14,710,000 (equivalent to approximately RMB12,607,000) (six months ended 30 June 2018: HK\$23,383,000 (equivalent to approximately RMB19,007,000)) (note 5) in respect of the corporate bonds was recognised in profit or loss during the six months ended 30 June 2019.

As at 30 June 2019, Corporate Bonds amounting to approximately HK\$2,996,000 (equivalent to approximately RMB2,635,000) (31 December 2018: HK\$63,764,000 (equivalent to approximately RMB55,870,000)) and approximately HK\$294,661,000 (equivalent to approximately RMB259,201,000) (31 December 2018: HK\$250,528,000 (equivalent to approximately RMB219,513,000)) were classified as current liabilities and non-current liabilities, respectively.

21. SHARE CAPITAL

	Number of shares	
	'000	RMB'000
Issued and fully paid:		
At 1 January 2018, 30 June 2018, 31 December 2018, 1 January 2019 and 30 June 2019	14,964,442	6,486,588

22. DISPOSAL/DEREGISTRATION OF SUBSIDIARIES

During the six months ended 30 June 2019, the Group disposed of the entire equity interests in certain PRC-incorporated entities at a total consideration of approximately RMB183,004,000. These entities are set out below:

Name of entities	Disposal dates
霍林郭勒競日能源有限公司 (Huolin Guole Jingri Energy Limited*) (note (i))	29 March 2019
樟樹市中利騰暉光伏有限公司 (Zhangshu Zhongli Tenghui Photovoltaic Power Limited*) (note (i))	17 April 2019

Note:

- (i) These entities are principally engaged in the operation of solar power plants and electricity generation.

22. DISPOSAL/DEREGISTRATION OF SUBSIDIARIES (continued)

During the six months ended 30 June 2019, the combined net assets of these subsidiaries as at the disposal dates are as follows:

	RMB'000 (Unaudited)
Net assets disposed of:	
Property, plant and equipment	274
Solar power plants	402,429
Goodwill	46
Right-of-use assets	13,611
Trade and other receivables	191,127
Cash and cash equivalents	1,420
Other payables and accruals	(176,005)
Loans and borrowings	(287,386)
	145,516
Gain on disposal of subsidiaries, net	37,488
Total consideration	183,004
Consideration transferred, satisfied by:	
Cash	168,143
Trade and other receivables	14,861
	183,004

An analysis of net inflow of cash and cash equivalents in respect of disposal of these subsidiaries are as follows:

	RMB'000 (Unaudited)
Net cash inflow arising from disposal of subsidiaries:	
Cash consideration received	168,143
Cash and cash equivalents disposed of	(1,420)
	166,723

Please refer to the 2018 interim report of the Company for comparative information relating to disposal/deregistration of subsidiaries.



23. CAPITAL COMMITMENTS

At 30 June 2019, the Group had outstanding capital commitments as follows:

	At 30 June 2019 RMB'000 (Unaudited)	At 31 December 2018 RMB'000 (Audited)
Contracted but not provided for in respect of — the construction costs and service expense for solar power plants under construction	111,105	472,561

24. MATERIAL RELATED PARTY TRANSACTION

During the six months ended 30 June 2019, the Group had no material related party transactions.

25. FAIR VALUE MEASUREMENT

The Group followed HKFRS 7 Financial Instruments: Disclosures which introduce a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

25. FAIR VALUE MEASUREMENT (continued)

The financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss in the condensed consolidated statements of financial position are grouped into the fair value hierarchy as follows:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2019				
Financial assets measured at fair value through profit or loss	34,658	–	–	34,658
Financial assets measured at fair value through other comprehensive income	–	–	1,783,789	1,783,789
As at 31 December 2018				
Financial assets measured at fair value through profit or loss	81,143	–	–	81,143
Financial assets measured at fair value through other comprehensive income	–	–	2,047,434	2,047,434

The fair values of the listed equity securities classified as financial assets measured at fair value through profit or loss are determined with reference to the quoted market bid price available to the relevant stock exchanges as at the end of reporting period. Given that the relevant stock exchanges are considered as active markets, the fair values of the listed equity securities are grouped into Level 1.

The fair values of the financial assets measured at fair value through other comprehensive income relating to Hohhot Jingu Bank (note 13(b)(i)) in Level 3 are derived from the weighted average of the profits and book value, adjusted by the price-to-book ratio of similar and comparable commercial banks publicly traded in the PRC as at 30 June 2019.

The fair values of the financial assets measured at fair value through other comprehensive income relating to Jinzhou Bank (note 13(b)(ii)) in Level 3 are derived from the average price changes of similar and comparable commercial banks publicly traded in both Hong Kong and the PRC, then adjusted for the lack of marketability discount as at 30 June 2019.

The fair values of the unlisted partnership investments and unlisted equity investments, except for Jinzhou Bank and Hohhot Jingu Bank, in Level 3 have been determined with reference to the fair values of the underlying assets and liabilities of the investees as at 30 June 2019.



25. FAIR VALUE MEASUREMENT *(continued)*

Significant unobservable inputs

Discount for lack of marketability

20%

If the discount for lack of marketability is 1% (31 December 2018: 1%) higher or lower, while all the other variables were held constant, the fair values of the financial assets measured at fair value through other comprehensive income in Jinzhou Bank and Hohhot Jingu Bank would decrease/increase by approximately RMB5,623,000 (31 December 2018: RMB10,164,000) and approximately RMB2,414,000 (31 December 2018: RMB2,407,000), respectively.

The Group's financial assets classified in Level 3 adopted valuation techniques based on unobservable input that is significant to the fair value measurement. The movement of financial instruments within this level is as follow:

	RMB'000 (Unaudited)
At 1 January 2019	2,047,434
Addition during the period	99,050
Fair value changes recognised in other comprehensive income during the period	(362,695)
At 30 June 2019	1,783,789

There were no transfers between Level 1 and Level 2, or transfers into or out of level 3 during the six months ended 30 June 2019.

26. EVENTS AFTER REPORTING DATE

On 29 April 2019, the Group entered into a sale and purchase agreement with an independent third party to dispose the entire equity interest in Huzhou Xianghui for a total consideration of approximately RMB413,213,000. The transaction was completed on 5 August 2019, Huzhou Xianghui ceased to be a wholly-owned subsidiary of the Company and its financial statements no longer be consolidated to the Group's financial statements.

On 26 August 2019, Mr. Zeng and Mr. Hou tendered their resignation as executive Directors and Mr. Wong Ying Kit tendered his resignation as the Company Secretary effective from 26 August 2019. Mr. Zeng also ceased to be the Chairman, the CEO and a member of each of the Remuneration Committee and the Nomination Committee with effect from 26 August 2019. Mr. Jin Yanbing, an executive Director, has been appointed as the Chairman, the CEO and a member of each of the Remuneration Committee and the Nomination Committee with effect from 26 August 2019. On 26 August 2019, Mr. Jiang Hengwen and Ms. Wu Wennan were appointed as non-executive Directors and an independent non-executive Director respectively, and Mr. Chen Cong was appointed as the Company Secretary. For details, please refer to the announcement of the Company dated 26 August 2019.

Save as disclosed above, there are no other material events affecting the Group which have occurred after 30 June 2019 and up to the date of this interim report.