



江山控股

KongSun Holdings

Kong Sun Holdings Limited

Stock Code : 295

INTERIM REPORT  
2021



# CONTENTS

Corporate Information	2
Chairman’s Statement	4
Financial Highlights	6
Management Discussion and Analysis	7
Disclosure of Other Information	21
Condensed Consolidated Statement of Profit or Loss	34
Condensed Consolidated Statement of Other Comprehensive Income	35
Condensed Consolidated Statement of Financial Position	36
Condensed Consolidated Statement of Changes in Equity	38
Condensed Consolidated Statement of Cash Flows	39
Notes to the Condensed Consolidated Interim Financial Statements	41



# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. Jin Yanbing (*Chairman*)  
Mr. Qin Hongfu

## NON-EXECUTIVE DIRECTOR

Mr. Jiang Hengwen

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lang Wangkai  
Ms. Wu Wennan  
Mr. Xu Xiang  
(*appointed on 1 March 2021*)  
Ms. Wang Fang  
(*resigned on 1 March 2021*)

## AUDIT COMMITTEE

Ms. Wu Wennan (*Chairman*)  
Mr. Lang Wangkai  
Mr. Xu Xiang  
(*appointed on 1 March 2021*)  
Ms. Wang Fang  
(*resigned on 1 March 2021*)

## NOMINATION COMMITTEE

Mr. Lang Wangkai (*Chairman*)  
Mr. Jin Yanbing  
Ms. Wu Wennan  
Mr. Xu Xiang  
(*appointed on 1 March 2021*)  
Ms. Wang Fang  
(*resigned on 1 March 2021*)

# CORPORATE INFORMATION *(continued)*

## REMUNERATION COMMITTEE

Mr. Xu Xiang *(Chairman)*  
*(appointed on 1 March 2021)*  
Mr. Jin Yanbing  
Mr. Lang Wangkai  
Ms. Wu Wennan  
Ms. Wang Fang  
*(resigned on 1 March 2021)*

## REGISTERED OFFICE

Unit 803-4, 8/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. Ching Kin Wai

## AUTHORISED REPRESENTATIVES

Mr. Jin Yanbing  
Mr. Ching Kin Wai

## 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](http://www.kongsun.com)

## INVESTOR RELATIONS

Email : [ir@kongsunhldgs.com](mailto:ir@kongsunhldgs.com)

# 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 2021.

During the first half of 2021, the Chinese government continued to support the development of the solar power industry through a series of policies targeting "Peak Carbon Dioxide Emissions and Carbon Neutrality". The National Development and Reform Commission (NDRC) issued the "Notice on matters related to the renewable electricity feed-in tariff policy in 2021", which clarifies the feed-in tariff policy for new centralized solar power stations and distributed solar power projects of industry and commerce to connect to the grid; and the "Notice on guiding and increasing financial support to promote the healthy and orderly development of wind PV power generation industries", which urges financial institutions and regulatory authorities to fully understand the importance of renewable energy development, and support the healthy and orderly development of the solar power industry. The National Energy Administration issued the "Notice on the development and construction of wind and PV power in 2021" in order to strengthen the guiding mechanism in regards to the responsibility for the consumption of electricity from renewable energy sources, and to guide and to promote the development and solar power generation development and construction; and issued the "Notice on the Reporting on Pilot Program for Distributed Photovoltaic Development on Rooftops in Counties (Cities and Urban Areas)" to accelerate the development of distributed solar power generation projects. According to the data announced by the National Energy Administration, during the first half of 2021, 13.01 million kilowatts ("KW") of new solar power generation capacity was installed nationwide, with an accumulated capacity of 268 million KW; the national solar power generation capacity was 157.64 billion kilowatt hours ("KWh"), representing an increase of 23.4% year-on-year.



## CHAIRMAN'S STATEMENT *(continued)*

During the first half of 2021, the Group continued to adopt a steady and pragmatic business strategy, and continued to enhance the efficiency of power stations, while actively adjusted its asset structure and explored business transformation opportunities to effectively lower its gearing ratio and operating expenses. As at 30 June 2021, the Group has 29 grid-connected solar power plants in Shaanxi, Xinjiang, Gansu, Anhui, Zhejiang, Hebei, Inner Mongolia, Hubei, Henan, Shanxi and Qinghai in China, with a total installed capacity of 838.8 MW. During the first half year, the Group has a power generation capacity of approximately 718,774 MWh, representing an increase of approximately 2.4% as compared to the volume of electricity generated from the first half year of 2020. Meanwhile, the Group actively expanded its solar power generation, its wind power plant operation as well as its maintenance services business, and continued to develop its financial technology business such as the Internet microfinance loans, while persisted to explore other investment opportunities in the clean energy industry. During the first half of 2021, the Group recorded a revenue of approximately RMB564 million and a gross profit of approximately RMB345 million. As at 30 June 2021, the Group has total liabilities of approximately RMB6,954 million, representing a decrease of approximately RMB2,646 million as compared to that of 31 December 2020.

In the future, with focuses on clean energy, the Group will continue to optimize the structure of its solar power generation assets, enhance the efficiency of equipment in power plants, improve the efficiency of its power station equipment, and accelerate its pace in shifting to an asset-light model. We will enhance our business efficiency through the industrial and financial capital integration, and promote the development of green and low-carbon energy in China, thus contributing 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.

**Jin Yanbing**

*Chairman*

31 August 2021, Hong Kong

# FINANCIAL HIGHLIGHTS

	<b>Six months ended 30 June</b>	
	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 RMB'000 (Unaudited)
Revenue	<b>563,676</b>	774,250
Gross profit	<b>345,353</b>	488,442
Loss for the period	<b>(153,298)</b>	(33,487)
Loss per share attributable to owners of the Company for the period		
— Basic (RMB cents)	<b>(1.02)</b>	(0.23)
— Diluted (RMB cents)	<b>(1.02)</b>	(0.23)
	<b>At 30 June 2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Total non-current assets	<b>6,952,028</b>	7,197,421
Total current assets	<b>4,551,170</b>	7,105,897
Total assets	<b>11,503,198</b>	14,303,318
Total non-current liabilities	<b>4,165,576</b>	3,912,051
Total current liabilities	<b>2,788,920</b>	5,688,459
Total liabilities	<b>6,954,496</b>	9,600,510
<b>NET ASSETS</b>	<b>4,548,702</b>	4,702,808



# 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 2021, 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 2021, the Group had a total of 838.8 MW completed solar power plants as follows:

### Completed solar power plants

PRC Province	Number of solar power plants as at 30 June 2021	Capacity of solar power plants
Xinjiang	7	140.0 MW
Gansu	5	169.0 MW
Shaanxi	4	140.0 MW
Inner Mongolia	1	10.0 MW
Shanxi	1	20.0 MW
Hebei	2	50.0 MW
Henan	2	120.0 MW
Anhui	4	120.0 MW
Zhejiang	1	19.8 MW
Hubei	1	30.0 MW
Qinghai	1	20.0 MW
<b>Total</b>	<b>29</b>	<b>838.8 MW</b>



# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## SOLAR POWER PLANTS BUSINESS (continued)

As at 30 June 2021, the Group had the following wholly-owned ground-mounted solar power plant under construction:

### Solar power plant under construction

PRC Province	Number of solar power plants as at 30 June 2021	Capacity of solar power plants
Anhui	1	20.0 MW

## PROVISION OF FINANCIAL SERVICES

The revenue arising from the provision of financial services decreased by approximately 23.4% from approximately RMB13,701,000 for the six months ended 30 June 2020 to approximately RMB10,501,000 for the six months ended 30 June 2021.

## TRADING OF LIQUEFIED NATURAL GAS

There was no revenue arising from the trading of liquefied natural gas for the six months ended 30 June 2021 as compared to approximately RMB12,590,000 for the six months ended 30 June 2020. The decrease is mainly due to the plan to allocate resources to other segments.

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## SECURITIES INVESTMENT

As at 30 June 2021, the Group did not have any investment in the capital market (31 December 2020: RMB16,921,000). As at 31 December 2020, the portfolio of investments managed by the Group consists of investment in one listed equity in Hong Kong. During the six months ended 30 June 2021, the Group disposed all of its listed equity investment at a cash consideration of approximately RMB16,728,000 and resulting in a net realised gain on disposal on financial assets measured at fair value through profit or loss amounted to approximately RMB284,000. 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.

## RESULTS OF OPERATIONS

### Revenue

The revenue of the Group decreased by approximately 27.2% from approximately RMB774,250,000 for the six months ended 30 June 2020 to approximately RMB563,676,000 for the six months ended 30 June 2021. The decrease was due to the decrease in revenue from sales of electricity and trading of liquefied natural gas during the period.

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

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

The Group's revenue from sales of electricity decreased by approximately 27.5% from approximately RMB734,915,000 for the six months ended 30 June 2020 to approximately RMB532,676,000 for the six months ended 30 June 2021. As at 30 June 2021, the Group had a total of 838.8 MW (31 December 2020: 1,178.8 MW) installed capacity of solar power plants. The solar power plants owned by the Group have generated electricity in an aggregate volume of approximately 718,774 megawatt-hour ("MWh") for the six months ended 30 June 2021, representing a decrease of approximately 26.9% as compared to approximately 983,265 MWh for the six months ended 30 June 2020.

The Group's revenue from provision of solar power plant operation and maintenance services increased by approximately 57.2% from approximately RMB13,044,000 for the six months ended 30 June 2020 to approximately RMB20,499,000 for the six months ended 30 June 2021.

### Revenue from Provision of Financial Services

The Group's revenue arising from the provision of financial services decreased by approximately 23.4% from approximately RMB13,701,000 for the six months ended 30 June 2020 to approximately RMB10,501,000 for the six months ended 30 June 2021.

### Trading of Liquefied Natural Gas

There was no revenue arising from the trading of liquefied natural gas for the six months ended 30 June 2021 as compared to approximately RMB12,590,000 for the six months ended 30 June 2020. The decrease is mainly due to the plan to allocate resources to other segments.

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

### Gross Profit and Gross Profit Margin

The gross profit of the Group decreased by approximately 29.3% from approximately RMB488,442,000 for the six months ended 30 June 2020 to approximately RMB345,353,000 for the six months ended 30 June 2021. The gross profit margin of the Group decreased from approximately 63.1% for the six months ended 30 June 2020 to approximately 61.3% for the six months ended 30 June 2021 mainly due to the disposal of subsidiaries which has a higher gross profit margin than that of the Group during the period.

### Other Gains and Losses

The Group recorded other gains of approximately RMB10,675,000 (six months ended 30 June 2020: losses of approximately RMB4,726,000) for the six months ended 30 June 2021. The change was mainly due to (i) the decrease in net foreign exchange loss of approximately RMB3,830,000; (ii) the decrease in net unrealised loss on fair value changes on financial assets measured at fair value through profit or loss of approximately RMB8,746,000; and (iii) the increase in properties rental income of approximately RMB5,221,000, offset by decrease in dividend income of approximately RMB8,712,000.

### Administrative Expenses

Administrative expenses of the Group decreased by approximately 8.4% from approximately RMB113,765,000 for the six months ended 30 June 2020 to approximately RMB104,217,000 for the six months ended 30 June 2021. The decrease was mainly attributable to the decrease in employee benefit expenses (including directors' emoluments) of approximately RMB15,993,000 as a result of the decrease in number of head count of high grade employee of the Group during the six months ended 30 June 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

### Loss on Disposal of Subsidiaries, Net

During the six months ended 30 June 2021, the Group disposed of three (six months ended 30 June 2020: ten) subsidiaries, and recorded net loss on such disposals of approximately RMB49,058,000 (six months ended 30 June 2020: RMB4,613,000). For details, please refer to note 21 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 22 October 2020, the Group entered into sale and purchase agreement with an independent third party to dispose the entire equity interests in 平山縣天匯能源科技有限公司 (Pingshan Tianhui Energy Technology Co., Ltd.\*) (“Tianhui”) for an equity consideration of approximately RMB34,229,000.

An impairment loss of approximately RMB2,692,000, representing the difference between the net asset value of Tianhui as at 31 December 2020 and 30 June 2021, was charged to profit or loss during the six months ended 30 June 2021.

No such amount was recorded for the six months ended 30 June 2020.

### Impairment loss on trade and other receivables, net

During the six months ended 30 June 2021, the Group has made an impairment regarding certain other receivables amounting to approximately RMB62,783,000. It was mainly due to the Group not able to recover certain other receivables related rectification works.

No such amount was recorded for the six months ended 30 June 2020.

### Finance Costs

Finance costs of the Group decreased by approximately 26.3% from approximately RMB394,885,000 for the six months ended 30 June 2020 to approximately RMB290,843,000 for the six months ended 30 June 2021. As the Group’s total loans and borrowings decreased as compared to the corresponding period last year, the finance costs related to these borrowings also decreased.

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

### Solar Power Plants

As at 30 June 2021, the Group had a net carrying value of approximately RMB5,133,995,000 (31 December 2020: RMB5,346,495,000) and approximately RMB12,143,000 (31 December 2020: RMB11,909,000) 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 2021, the Group successfully completed the disposals of solar power plants of three (six months ended 30 June 2020: ten) subsidiaries with total installed capacity of 340 MW. As at 30 June 2021, the Group had a total of 838.8 MW (31 December 2020: 1,178.8 MW) installed capacity of completed solar power plants.

### Interest in associates

As at 30 June 2021, the net carrying amount of associates was approximately RMB237,277,000 (31 December 2020: RMB227,984,000).

### Goodwill

As at 30 June 2021, the Group had a total amount of approximately RMB29,622,000 (31 December 2020: RMB29,622,000) in respect of goodwill on the previous acquisitions of subsidiaries.

### Right-of-use Assets

As at 30 June 2021, the right-of-use assets amounted to approximately RMB243,312,000 (31 December 2020: RMB274,361,000).

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

### Financial Assets Measured at Fair Value through Other Comprehensive Income

Financial assets measured at fair value through other comprehensive income decreased by approximately 0.5% from approximately RMB1,275,156,000 as at 31 December 2020 to approximately RMB1,268,554,000 as at 30 June 2021. The decrease is due to fair value loss on the unlisted equity investments of approximately RMB6,602,000. 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. For details, please refer to note 12 to the “Notes to the Condensed Consolidated Interim Financial Statements” in this interim report.

### Financial Assets Measured at Fair Value through Profit or Loss

As at 30 June 2021, the Group did not have any financial assets measured at fair value through profit or loss (31 December 2020: RMB16,921,000). As at 31 December 2020, the portfolio of investments managed by the Group consists of investment in one listed equity in Hong Kong. During the six months ended 30 June 2021, the Group disposed all of its listed equity investment at a cash consideration of approximately RMB16,728,000 and resulting in a net realised gain on disposal on financial assets measured at fair value through profit or loss amounted to approximately RMB284,000.

### Trade, Bills and Other Receivables

Trade, bills and other receivables increased by approximately 15.1% from approximately RMB3,561,766,000 as at 31 December 2020 to approximately RMB4,100,389,000 as at 30 June 2021. The increase was mainly due to an increase in trade and bills receivables, net by approximately 14.5% from approximately RMB2,171,369,000 as at 31 December 2020 to approximately RMB2,485,868,000 as at 30 June 2021.





# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

### Structured bank deposits

As at 30 June 2021, the Group placed approximately RMB200,000 (31 December 2020: RMB4,230,000) 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.

### Trade and Other Payables

Trade and other payables decreased by approximately 17.0% from approximately RMB1,060,610,000 as at 31 December 2020 to approximately RMB880,412,000 as at 30 June 2021. 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. The decrease was mainly due to the decrease in interest payables of approximately RMB108,340,000 as of 30 June 2021 as compared to 31 December 2020.

### Lease Liabilities

As at 30 June 2021, the lease liabilities amounted to approximately RMB175,025,000 (31 December 2020: RMB182,228,000).

### Liquidity and Capital Resources

As at 30 June 2021, cash and cash equivalents of the Group was approximately RMB262,350,000 (31 December 2020: RMB168,947,000), which included an amount of bank balances of approximately RMB248,168,000 (31 December 2020: RMB167,743,000) 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 2021, 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 1.22 (31 December 2020: 1.36).

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

### Capital Expenditure

During the six months ended 30 June 2021, the Group's total expenditure in respect of property, plant and equipment and solar power plants amounted to approximately RMB429,000 (six months ended 30 June 2020: RMB3,221,000) and approximately RMB4,616,000 (six months ended 30 June 2020: RMB5,671,000), respectively.

### Loans and Borrowings

As at 30 June 2021, the Group's total loans and borrowings was approximately RMB5,547,064,000, representing a decrease of approximately 11.7% as compared to approximately RMB6,285,578,000 as at 31 December 2020. 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 2021, loans and borrowings of approximately RMB3,789,103,000 (31 December 2020: RMB4,407,500,000) and approximately RMB1,757,961,000 (31 December 2020: RMB1,878,078,000) bear fixed interest rate and floating interest rate, respectively.

As at 30 June 2021, out of the total borrowings, approximately RMB1,549,764,000 (31 December 2020: RMB2,576,645,000) was repayable within one year and approximately RMB3,997,300,000 (31 December 2020: RMB3,708,933,000) was repayable after one year. For details, please refer to note 18 to the "Notes to the Condensed Consolidated Interim Financial Statements" of this interim report.

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

### Corporate Bonds

As at 30 June 2021, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$309,000,000 (equivalent to approximately RMB257,113,000) (31 December 2020: HK\$336,500,000 (equivalent to approximately RMB283,212,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 7% (31 December 2020: 3% to 7%) per annum, and will mature on the date immediately following 6 to 96 months (31 December 2020: 3 to 96 months) after their issuance.

During the six months ended 30 June 2021 and 2020, the Group did not issue any corporate bonds.

During the six months ended 30 June 2021, the Group repaid HK\$27,500,000 (equivalent to approximately RMB22,882,000) (six months ended 30 June 2020: HK\$5,000,000 (equivalent to approximately RMB4,567,000)) 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 10.40% to 14.56% (six months ended 30 June 2020: 10.40% to 14.56%) per annum. Imputed interest of approximately HK\$15,921,000 (equivalent to approximately RMB13,275,000) (six months ended 30 June 2020: HK\$16,558,000 (equivalent to approximately RMB15,002,000)) (note 5 to the “Notes to the Condensed Consolidated Interim Financial Statements” of this interim report) in respect of the corporate bonds was recognised in profit or loss during the six months ended 30 June 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

### Foreign Exchange Rate Risk

The Group primarily operates its business in the PRC and during the six months ended 30 June 2021, 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.

### Charge on Assets

As at 30 June 2021, the Group had charged solar power plants, trade receivables, right-of-use assets and unlisted equity investments with net book value of approximately RMB2,643,857,000 (31 December 2020: RMB3,324,494,000), approximately RMB1,473,211,000 (31 December 2020: RMB1,190,157,000), approximately RMB209,000 (31 December 2020: RMB719,000) and approximately RMB284,094,000 (31 December 2020: RMB295,441,000), respectively, to secure bank loans and other loans facilities granted to the Group.

Save as disclosed above and in note 18 to the "Notes to the Condensed Consolidated Interim Financial Statements" of this interim report, during the six months ended 30 June 2021, the Group has no other charges on assets.

# MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

## RESULTS OF OPERATIONS (continued)

### 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.

As at 30 June 2021, the Group had executed a guarantee with respect to a loan of approximately RMB1,630,000,000 granted by independent third parties to 榆林市江山永宸新能源有限公司 (Yulin City Jiangshan Yongchen New Energy Limited\*), an indirectly wholly-owned subsidiary of the Company before its disposal on 30 April 2021.

Save as disclosed above, during the six months ended 30 June 2021, the Group has no other significant contingent liabilities.

### Employees and Remuneration Policy

As at 30 June 2021, the Group had approximately 660 employees (31 December 2020: 622) 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 2021, the total employee benefit expenses (including directors’ emoluments) were approximately RMB65,728,000 (six months ended 30 June 2020: RMB83,427,000). 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

*(continued)*

## RESULTS OF OPERATIONS *(continued)*

### Employees and Remuneration Policy *(continued)*

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 2021, 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.

## PROSPECT

With more than 130 countries proposing targets of “zero carbon” or “carbon neutrality”, renewable energy has become the dominant energy source, and the penetration rate of solar power continues to increase around the world. China also witness the major trend of clean energy transformation, where the solar power industry is poised for new development.

During the first half year of 2021, China’s clean energy industry continued to develop steadily under the goal of “peaked carbon and carbon neutrality” proposed by the Chinese government, while the solar power supply chain prices remained high as the installed capacity expanded steadily. As at 30 June 2021, the installed capacity of renewable energy in China has reached 971 million KW, including 268 million KW of solar power installed capacity and 292 million KW of wind power installed capacity. The continuous growth of the installed capacity of renewable energy also provides favourable development opportunities to the renewable energy plants operation and maintenance services businesses.

Looking forward, grasping the historic opportunities in the clean energy industry, the Group will continue the strategies on the operation of solar power plants, optimise asset allocation efficiency, safeguard the Group’s cash flow, and step up to improve the efficiency of the equipment at the power stations. The Group will endeavour to further explore other investment opportunities in the clean energy industry, so as to maximise the return of the assets and value for the shareholders.

# 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.



# DISCLOSURE OF OTHER INFORMATION *(continued)*

## SHARE OPTION SCHEME *(continued)*

### (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.

### (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.

# DISCLOSURE OF OTHER INFORMATION *(continued)*

## SHARE OPTION SCHEME *(continued)*

### **(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.

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”.

# DISCLOSURE OF OTHER INFORMATION *(continued)*

## SHARE OPTION SCHEME *(continued)*

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

#### (1) 10% Limit *(continued)*

- (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 2021, a total of 369,170,000 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 2.47% 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 2021:

Grantee(s)	Date of grant	Number of share options					As at 30 June 2021	Exercise Price HK\$	Approximate % of shareholding upon fully exercise of share options (Note (iii))
		As at 1 January 2021	Granted during the period	Cancelled during the period	Lapsed during the period	Exercised during the period			
<i>Executive Director</i>									
Jin Yanbing (Chairman)	3 April 2017	16,000,000	-	-	-	-	16,000,000	0.30	0.11%
	28 April 2017	5,670,000	-	-	-	-	5,670,000	0.41	0.04%
<i>Independent non-executive Director</i>									
Wang Fang (Note (iii))	28 April 2017	1,000,000	-	-	(1,000,000)	-	-	0.41	-
		22,670,000	-	-	(1,000,000)	-	21,670,000		0.15%
<i>Other employees and consultants of the Group</i>									
	3 April 2017	160,000,000	-	-	(15,000,000)	-	145,000,000	0.30	0.97%
	28 April 2017	217,500,000	-	-	(15,000,000)	-	202,500,000	0.41	1.35%
Total		400,170,000	-	-	(31,000,000)	-	369,170,000		2.47%

### 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\$
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 2021, assuming all the outstanding share options are exercised.

- (iii) Ms. Wang Fang resigned as an independent non-executive Director on 1 March 2021.

## DISCLOSURE OF OTHER INFORMATION *(continued)*

### SHARE OPTION SCHEME *(continued)*

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

<b>Exercise period</b>	<b>Number of options exercisable</b>
From 1 <sup>st</sup> anniversary of the date of grant to 2 <sup>nd</sup> anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 2 <sup>nd</sup> anniversary of the date of grant to 3 <sup>rd</sup> anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 3 <sup>rd</sup> anniversary of the date of grant to 4 <sup>th</sup> anniversary of the date of grant	Up to 25% of the total number of Granted Options
From 4 <sup>th</sup> anniversary of the date of grant to 5 <sup>th</sup> 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 2021, 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 Director	Nature of interest	Date of share options granted	Number of share options outstanding as at 30 June 2021	Approximate percentage of shareholding upon fully exercise of share options <i>(Note (i))</i>
<i>Executive Director</i>				
Jin Yanbing <i>(Chairman)</i>	Beneficial owner	3 April 2017	16,000,000	0.11%
	Beneficial owner	28 April 2017	5,670,000	0.04%
			22,670,000	0.15%

Name of Director	Nature of interest	Number of shares held/interested in	Approximate percentage of shareholding
<i>Executive Director</i>			
Jin Yanbing <i>(Chairman)</i>	Beneficial owner	12,000,000	0.08%

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 2021, assuming all the outstanding share options are exercised.



## 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)*

Save as disclosed above, as at 30 June 2021, 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.

#### SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 30 June 2021, 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 <sup>(3)</sup>	Percentage of shareholding <sup>(2)</sup>
Miao Yu	Beneficial owner <sup>(1)</sup>	4,169,300,000 (L)	27.86%
Prospect Ace Limited	Deemed interest in controlled corporation <sup>(1)</sup>	4,169,300,000 (L)	27.86%
Xiang Jun	Beneficial owner	756,831,000 (L)	5.06%

# DISCLOSURE OF OTHER INFORMATION *(continued)*

## SUBSTANTIAL SHAREHOLDERS *(continued)*

Notes:

- (1) Miao Yu owns 100% equity interest of Prospect Ace Limited. Accordingly, Miao Yu is deemed to be interested in a long position of an aggregate of 4,169,300,000 shares held by Prospect Ace Limited.
- (2) The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 30 June 2021 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 2021, 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 2021.

### 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.

# DISCLOSURE OF OTHER INFORMATION *(continued)*

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE *(continued)*

### 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. Jin Yanbing was appointed as the Chairman of the Board, the CEO and an executive Director on 26 August 2019. Since then, the Company does not have a separate chairman and CEO. Mr. Jin Yanbing 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.

### INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

### EVENTS AFTER REPORTING DATE

On 10 July 2021, the Group entered into sale and purchase agreements with an independent third party to dispose the entire equity interests in 金塔縣永嘉新能源有限公司 (Jinta Yongjia New Energy Limited\*), 甘肅宏遠光電有限責任公司 (Gansu Hongyuan Photovoltaic Limited\*), 敦煌萬發新能源有限公司 (Dunhuang Wanfa New Energy Limited Company\*), 化隆縣瑞啟達新能源有限公司 (Hualong County Ruiqida New Energy Limited\*), 黃驛市正陽新能源有限公司 (Huanghua Zhengyang New Energy Limited\*), 嘉峪關協合新能源有限公司 (Jiayuguan Xiehe New Energy Co. Ltd.\*) and 臨潭天朗新能源科技有限公司 (Lintan Tianlang New Energy Technology Co., Ltd.\*) for total equity consideration of approximately RMB1,285,814,000. The transactions were approved by shareholders of the Company in an extraordinary general meeting on 14 September 2021.

Save as disclosed above, there are no important events affecting the Group which have occurred after 30 June 2021 and up to the date of this interim report.

# DISCLOSURE OF OTHER INFORMATION *(continued)*

## 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 2021.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2021, 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 2021 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.

By order of the Board  
**Kong Sun Holdings Limited**  
**Jin Yanbing**  
*Chairman*

31 August 2021, Hong Kong

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

(Expressed in Renminbi unless otherwise stated)

	Notes	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Revenue</b>	3	<b>563,676</b>	774,250
Cost of sales		<b>(218,323)</b>	(285,808)
<b>Gross profit</b>		<b>345,353</b>	488,442
Other gains and losses	4	<b>10,675</b>	(4,726)
Administrative expenses		<b>(104,217)</b>	(113,765)
Loss on disposal of subsidiaries, net	21	<b>(49,058)</b>	(4,613)
Impairment loss on a disposal group classified as held for sale	16	<b>(2,692)</b>	–
Impairment loss on trade and other receivables, net	14	<b>(62,783)</b>	(400)
Finance costs	5	<b>(290,843)</b>	(394,885)
Share of profit of associates	11	<b>7,183</b>	2,634
<b>Loss before income tax</b>	6	<b>(146,382)</b>	(27,313)
Income tax expense	7	<b>(6,916)</b>	(6,174)
<b>Loss for the period</b>		<b>(153,298)</b>	(33,487)
<b>Loss for the period attributable to:</b>			
Owners of the Company		<b>(153,362)</b>	(33,733)
Non-controlling interests		<b>64</b>	246
		<b>(153,298)</b>	(33,487)
<b>Loss per share attributable to owners of the Company for the period</b>	8		
Basic (RMB cents)		<b>(1.02)</b>	(0.23)
Diluted (RMB cents)		<b>(1.02)</b>	(0.23)

The notes on pages 41 to 80 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

(Expressed in Renminbi unless otherwise stated)

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Loss for the period</b>	<b>(153,298)</b>	(33,487)
<b>Other comprehensive income, net of tax</b>		
<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	12 <b>(6,602)</b>	(132,450)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign operations	<b>4,121</b>	1,190
<b>Other comprehensive income for the period, net of tax</b>	<b>(2,481)</b>	(131,260)
<b>Total comprehensive income for the period</b>	<b>(155,779)</b>	(164,747)
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<b>(155,843)</b>	(164,993)
Non-controlling interests	<b>64</b>	246
	<b>(155,779)</b>	(164,747)

The notes on pages 41 to 80 form part of this interim report.



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

(Expressed in Renminbi unless otherwise stated)

	Notes	At 30 June 2021 RMB'000 (Unaudited)	At 31 December 2020 RMB'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		23,430	28,199
Solar power plants	10	5,146,138	5,358,404
Interests in associates	11	237,277	227,984
Goodwill		29,622	29,622
Right-of-use assets		243,312	274,361
Financial assets measured at fair value through other comprehensive income	12	1,268,554	1,275,156
Deferred tax assets		3,695	3,695
		<b>6,952,028</b>	7,197,421
<b>Current assets</b>			
Financial assets measured at fair value through profit or loss	13	–	16,921
Inventories		3,352	3,598
Trade, bills and other receivables	14	4,100,389	3,561,766
Structured bank deposits		200	4,230
Cash and cash equivalents	15	262,350	168,947
		<b>4,366,291</b>	3,755,462
Assets of a disposal group classified as held for sale	16	184,879	3,350,435
Total current assets		<b>4,551,170</b>	7,105,897
<b>Current liabilities</b>			
Trade and other payables	17	880,231	1,060,610
Lease liabilities		19,878	23,142
Loans and borrowings	18	1,549,764	2,576,645
Corporate bonds	19	239,905	229,601
Tax payable		2,851	6,325
		<b>2,692,629</b>	3,896,323
Liabilities of a disposal group classified as held for sale	16	96,291	1,792,136
Total current liabilities		<b>2,788,920</b>	5,688,459
<b>Net current assets</b>		<b>1,762,250</b>	1,417,438
<b>Total assets less current liabilities</b>		<b>8,714,278</b>	8,614,859

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 30 June 2021

(Expressed in Renminbi unless otherwise stated)

	Notes	At 30 June 2021 RMB'000 (Unaudited)	At 31 December 2020 RMB'000 (Audited)
<b>Non-current liabilities</b>			
Lease liabilities		155,147	159,086
Loans and borrowings	18	3,997,300	3,708,933
Corporate bonds	19	13,129	44,032
		<b>4,165,576</b>	3,912,051
<b>NET ASSETS</b>		<b>4,548,702</b>	4,702,808
<b>CAPITAL AND RESERVES</b>			
Share capital	20	6,486,588	6,486,588
Reserves		(2,020,277)	(1,865,637)
<b>Equity attributable to owners of the Company</b>		<b>4,466,311</b>	4,620,951
Non-controlling interests		82,391	81,857
<b>TOTAL EQUITY</b>		<b>4,548,702</b>	4,702,808

The notes on pages 41 to 80 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

(Expressed in Renminbi unless otherwise stated)

Note	Equity attributable to the owners of the Company								
	Share capital RMB'000 (Unaudited)	PRC statutory reserve RMB'000 (Unaudited)	Exchange reserve RMB'000 (Unaudited)	Fair value through other comprehensive income reserve RMB'000 (Unaudited)	Equity-settled share-based payment reserve RMB'000 (Unaudited)	Accumulated losses RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Non-controlling interests RMB'000 (Unaudited)	Total equity RMB'000 (Unaudited)
<b>Balance at 1 January 2020</b>	6,486,588	154,138	(50,565)	(459,341)	50,504	(770,503)	5,410,821	82,478	5,493,299
Loss for the period	-	-	-	-	-	(33,733)	(33,733)	246	(33,487)
Other comprehensive income, net of tax	-	-	1,190	(132,450)	-	-	(131,260)	-	(131,260)
Total comprehensive income, net of tax	-	-	1,190	(132,450)	-	(33,733)	(164,993)	246	(164,747)
Equity-settled share-based transactions	6(a)	-	-	-	2,530	-	2,530	-	2,530
Lapse of share options	-	-	-	-	(3,795)	3,795	-	-	-
Appropriation to PRC statutory reserves	-	1,186	-	-	-	(1,186)	-	-	-
Disposal of subsidiaries	-	(42,732)	-	-	-	42,732	-	-	-
<b>Balance at 30 June 2020</b>	6,486,588	112,592	(49,375)	(591,791)	49,239	(758,895)	5,248,358	82,724	5,331,082
<b>Balance at 1 January 2021</b>	<b>6,486,588</b>	<b>162,017</b>	<b>(34,231)</b>	<b>(643,706)</b>	<b>51,412</b>	<b>(1,401,129)</b>	<b>4,620,951</b>	<b>81,857</b>	<b>4,702,808</b>
Loss for the period	-	-	-	-	-	(153,362)	(153,362)	64	(153,298)
Other comprehensive income, net of tax	-	-	4,121	(6,602)	-	-	(2,481)	-	(2,481)
Total comprehensive income, net of tax	-	-	4,121	(6,602)	-	(153,362)	(155,843)	64	(155,779)
Equity-settled share-based transactions	6(a)	-	-	-	1,203	-	1,203	-	1,203
Lapse of share options	-	-	-	-	(4,148)	4,148	-	-	-
Appropriation to PRC statutory reserves	-	11,284	-	-	-	(11,284)	-	-	-
Deemed contribution from non-controlling interests	-	-	-	-	-	-	-	470	470
Disposal of subsidiaries	-	(3,725)	-	-	-	3,725	-	-	-
<b>Balance at 30 June 2021</b>	<b>6,486,588</b>	<b>169,576</b>	<b>(30,110)</b>	<b>(650,308)</b>	<b>48,467</b>	<b>(1,557,902)</b>	<b>4,466,311</b>	<b>82,391</b>	<b>4,548,702</b>

The notes on pages 41 to 80 form part of this interim report.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

(Expressed in Renminbi unless otherwise stated)

	Six months ended 30 June		
	Notes	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>			
Net cash generated from operations		<b>399,849</b>	604,165
Tax paid		<b>(15,428)</b>	(7,029)
<b>Net cash generated from operating activities</b>		<b>384,421</b>	597,136
<b>Cash flows from investing activities</b>			
Payment for construction costs in respect of solar power plants		<b>(17,347)</b>	(352,144)
Proceeds from disposal of subsidiaries, net of cash disposed	21	<b>797,959</b>	232,110
Payment for purchase of financial assets measured at fair value through other comprehensive income		–	(429)
Receipt from disposal of financial assets measured at fair value through profit or loss		<b>16,728</b>	–
Receipt from decrease in investment of financial assets measured at fair value through other comprehensive income		–	270,000
Decrease/(increase) in structured bank deposits, net		<b>4,030</b>	(20,000)
Other cash flows (used in)/generated from investing activities		<b>(663)</b>	9,137
<b>Net cash generated from investing activities</b>		<b>800,707</b>	138,674

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

For the six months ended 30 June 2021

(Expressed in Renminbi unless otherwise stated)

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Cash flow from financing activities</b>		
Proceeds from new loans and borrowings	<b>475,000</b>	322,500
Repayment of loans and borrowings	<b>(1,244,875)</b>	(831,022)
Repayment of corporate bonds	<b>(22,882)</b>	(4,567)
Payment of lease liabilities	<b>(16,521)</b>	(10,362)
Interest paid	<b>(366,977)</b>	(290,221)
<b>Net cash used in financing activities</b>	<b>(1,176,255)</b>	(813,672)
<b>Net decrease in cash and cash equivalents</b>	<b>8,873</b>	(77,862)
<b>Cash and cash equivalents at 1 January</b>	<b>248,563</b>	253,756
<b>Effect of foreign exchange rate changes</b>	<b>6,881</b>	6,042
<b>Cash and cash equivalents at 30 June</b>	<b>264,317</b>	181,936
<b>Cash and cash equivalents as at 1 January, represented by:</b>		
Bank balances and cash	<b>168,947</b>	194,156
Bank balances and cash included in assets classified as held for sale	<b>79,616</b>	59,600
	<b>248,563</b>	253,756
<b>Cash and cash equivalents as at 30 June, represented by:</b>		
Bank balances and cash	<b>262,350</b>	181,936
Bank balances and cash included in assets classified as held for sale	<b>1,967</b>	-
	<b>264,317</b>	181,936

The notes on pages 41 to 80 form part of this interim report.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 June 2021*

## 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 31 August 2021.

The financial information relating to the financial year ended 31 December 2020 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 2020 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 2020 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 2020 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 31 August 2021.

## 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 2020 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 2021.

For the six months ended 30 June 2021, the Group have applied the following new and amendments to HKFRS issued by the HKICPA which were effective for the annual periods beginning on or after 1 January 2021:

Amendments to HKAS 39, HKFRS 4,  
HKFRS 7, HKFRS 9 and HKFRS 16

Interest Rate Benchmark Reform — Phase 2

## 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The following new or revised HKFRSs, potentially relevant to the Group's condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (2020), Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>4</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>4</sup>
Amendments to HKAS 8	Definition of Accounting Estimate <sup>4</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>4</sup>
Amendments to HKAS 16	Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendment to HKFRS 3	Reference to the Conceptual Framework <sup>3</sup>
Amendment to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021 <sup>1</sup>
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendment to HKFRS 9, Financial Instruments <sup>2</sup>
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendment to illustrative examples accompanying HKFRS 16, Leases <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 April 2021.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period on or after 1 January 2022.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2023.

The Group is not yet in a position to state whether these amendments will result in substantial changes to the Group's accounting policies and financial statements.



### 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:

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Sales of electricity	<b>532,676</b>	734,915
Trading of LNG	–	12,590
Provision of solar power plant operation and maintenance services	<b>20,499</b>	13,044
Interest income generated from provision of financial services	<b>10,501</b>	13,701
	<b>563,676</b>	774,250

During the six months ended 30 June 2021, sales of electricity includes renewable energy subsidies amounted to approximately RMB352,647,000 (six months ended 30 June 2020: RMB466,356,000).

### 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 2021 and 2020 is set out below.

	Six months ended 30 June 2021			
	Solar power plants RMB'000 (Unaudited)	Trading of LNG RMB'000 (Unaudited)	Financial Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	553,175	-	10,501	563,676
Inter-segment revenue	-	-	-	-
Reportable segment revenue	553,175	-	10,501	563,676
Reportable segment profit/(loss) (adjusted EBITDA)	438,890	(60)	943	439,773
Primary geographical markets				
PRC	553,175	-	10,501	563,676
Timing of revenue recognition				
At a point in time	-	-	-	-
Transferred over time	553,175	-	10,501	563,676
	553,175	-	10,501	563,676
As at 30 June 2021				
Reportable segment assets	9,040,697	6,414	330,674	9,377,785
Reportable segment liabilities	6,064,205	1,833	16,338	6,082,376

### 3. REVENUE AND SEGMENT INFORMATION (continued)

#### B. Segment information (continued)

(i) Business segments (continued)

	Six months ended 30 June 2020			
	Solar power plants RMB'000 (Unaudited)	Trading of LNG RMB'000 (Unaudited)	Financial Services RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	747,959	12,590	13,701	774,250
Inter-segment revenue	-	-	-	-
Reportable segment revenue	747,959	12,590	13,701	774,250
Reportable segment profit/(loss) (adjusted EBITDA)	642,334	(1,030)	2,204	643,508
Primary geographical markets				
PRC	747,959	12,590	13,701	774,250
Timing of revenue recognition				
At a point in time	-	12,590	-	12,590
Transferred over time	747,959	-	13,701	761,660
	747,959	12,590	13,701	774,250
As at 31 December 2020				
Reportable segment assets	11,708,410	6,768	269,390	11,984,568
Reportable segment liabilities	8,435,774	1,098	24,323	8,461,195

### 3. REVENUE AND SEGMENT INFORMATION *(continued)*

#### B. Segment information *(continued)*

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

	<b>Six months ended 30 June</b>	
	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	2020 RMB'000 (Unaudited)
<b>Revenue</b>		
Reportable segment revenue	<b>563,676</b>	774,250
Elimination of inter-segment revenue	–	–
<b>Consolidated revenue</b>	<b>563,676</b>	774,250
<b>Profit</b>		
Reportable segment profit	<b>439,773</b>	643,508
Other gains and losses	<b>1,884</b>	6,400
Net unrealised loss on fair value changes on financial assets measured at fair value through profit or loss	–	(8,746)
Net realised gain on disposal of financial assets measured at fair value through profit or loss	<b>284</b>	–
Depreciation and amortisation	<b>(172,203)</b>	(226,212)
Loss on disposal of subsidiaries, net	<b>(49,058)</b>	(4,613)
Impairment loss on a disposal group classified as held for sale	<b>(2,692)</b>	–
Impairment loss on trade and other receivables, net	<b>(62,783)</b>	(400)
Share of profit of associates	<b>7,183</b>	2,634
Finance costs	<b>(290,843)</b>	(394,885)
Equity-settled share-based payment expenses	<b>(1,203)</b>	(2,530)
Unallocated corporate expenses <i>(note (a))</i>	<b>(16,724)</b>	(42,469)
<b>Consolidated loss before income tax</b>	<b>(146,382)</b>	(27,313)

### 3. REVENUE AND SEGMENT INFORMATION *(continued)*

#### B. Segment information *(continued)*

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

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
<b>Assets</b>		
Reportable segment assets	<b>9,377,785</b>	11,984,568
Interests in associates	<b>237,277</b>	227,984
Financial assets measured at fair value through other comprehensive income	<b>1,268,554</b>	1,275,156
Financial assets measured at fair value through profit or loss	–	16,921
Structured bank deposits	<b>200</b>	4,230
Deferred tax assets	<b>3,695</b>	3,695
Unallocated corporate assets <i>(note (b))</i>	<b>615,687</b>	790,764
Consolidated total assets	<b>11,503,198</b>	14,303,318
<b>Liabilities</b>		
Reportable segment liabilities	<b>6,082,376</b>	8,461,195
Corporate bonds	<b>253,034</b>	273,633
Unallocated corporate liabilities <i>(note (c))</i>	<b>619,086</b>	865,682
Consolidated total liabilities	<b>6,954,496</b>	9,600,510

### 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	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest income	1,191	425
Dividend income	–	8,712
Net foreign exchange gain/(loss)	693	(3,137)
Net unrealised loss on fair value changes on financial assets measured at fair value through profit or loss	–	(8,746)
Net realised gain on disposals of financial assets measured at fair value through profit or loss (note 13)	284	–
Properties rental income	5,221	–
Government allowance	369	–
Others	2,917	(1,980)
	<b>10,675</b>	<b>(4,726)</b>

## 5. FINANCE COSTS

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Interest on loans and borrowings	270,473	370,889
Imputed interest on corporate bonds (note 19)	13,275	15,002
Interest on lease liabilities	7,095	8,994
Total interest expense on financial liabilities not at fair value through profit or loss	290,843	394,885
Less: interest expense capitalised into solar power plants under construction	—	—
	<b>290,843</b>	<b>394,885</b>



## 6. LOSS BEFORE INCOME TAX

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

### A. Employee benefit expenses (including directors' emoluments)

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Salaries, wages and other benefits	<b>56,586</b>	75,732
Contributions to defined contribution retirement plan	<b>7,969</b>	5,165
Equity-settled share-based payment expenses	<b>1,203</b>	2,530
	<b>65,728</b>	83,427

### B. Other items

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Amortization of right-of-use assets	<b>13,799</b>	17,552
Auditor's remuneration	<b>21</b>	47
Cost of inventories	<b>—</b>	12,531
Depreciation		
— Property, plant and equipment	<b>2,098</b>	3,606
— Solar power plants	<b>156,306</b>	205,054
Operating lease expenses in respect of short-term leases	<b>2,407</b>	8,558

## 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	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Current tax</b>		
— PRC corporate income tax	<b>6,916</b>	5,972
Deferred tax	—	202
	<b>6,916</b>	6,174

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 2021 and 2020.

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

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 PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD

The calculation of basic and diluted loss per share for the six months ended 30 June 2021 is based on loss attributable to owners of the Company for the period of approximately RMB153,362,000 (six months ended 30 June 2020: RMB33,733,000) and on the weighted average number of approximately 14,964,442,000 (six months ended 30 June 2020: 14,964,442,000) ordinary shares in issue during the period.

Diluted loss per share for the six months ended 30 June 2021 and 2020 was the same as basic loss 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 2021 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 2020: Nil).

## 10. SOLAR POWER PLANTS

During the six months ended 30 June 2021, the Group increased its investments in solar power plants of approximately RMB4,616,000 (six months ended 30 June 2020: RMB5,671,000). During the six months ended 30 June 2021, the Group successfully completed the disposals of solar power plants with total installed capacity of 340 (six months ended 30 June 2020: 350.5) 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 2021, certain solar power plants with carrying amount of approximately RMB999,182,000 (31 December 2020: RMB1,514,427,000) 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 2021, certain solar power plants with carrying amount of approximately RMB2,643,857,000 (31 December 2020: RMB3,324,494,000) were pledged as securities for the Group's loans and borrowings (note 18).

## 11. INTERESTS IN ASSOCIATES

Particulars of the associates as at 30 June 2021 and 31 December 2020 are as follows:

Name	Place of incorporation and principal place of operation	Percentage of ownership interest/ voting rights	Principal activity
江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*)	PRC	37.6% (31 December 2020: 37.6%)	Finance leases and factoring business
通服商業保理有限責任公司 (Tongfu Commercial Factoring Co., Ltd.*)	PRC	10% (31 December 2020: 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 2020: 10%)	LNG trading platform development and business in relation to LNG management
東台瀟晶光伏有限公司 (Dongtai Lanjing Photovoltaic Co., Ltd.*)	PRC	36.79% (31 December 2020: 36.79%)	Solar power generation and development
廣州啄木鳥數字科技有限公司 (Guangzhou Woodpecker Digital Technology Co., Ltd.*)	PRC	40% (31 December 2020: 40%)	Consulting service
江山明輝新能源有限公司 (Kong Sun Minghui New Energy Limited*)	PRC	30% (31 December 2020: Nil)	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.

## 12. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>At 30 June 2021</b>	At 31 December 2020
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
<b>Financial assets measured at fair value through other comprehensive income</b>		
Unlisted partnership investments ( <i>note (a)</i> )	<b>779,952</b>	779,952
Unlisted equity investments ( <i>note (b)</i> )	<b>488,602</b>	495,204
	<b>1,268,554</b>	1,275,156

Notes:

- (a) As at 30 June 2021 and 31 December 2020, 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). As at 30 June 2021, the fair value of the Group's actual capital contribution paid in Suzhou Junsheng Limited Partnership was approximately RMB222,500,000 (31 December 2020: RMB222,500,000).

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

Notes: *(continued)*

(a) *(continued)*

(i) *(continued)*

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.

## 12. 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 2021, the Group’s actual capital contribution paid in Taizhou Jiuan Limited Partnership was approximately RMB300,000,000 (31 December 2020: 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.

## 12. 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 2021, the fair value of the Group’s actual capital contribution paid in Huoerguosi Limited Partnership was approximately RMB2,452,000 (31 December 2020: RMB2,452,000).
- (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 2021, the Group’s actual capital contribution paid in Jiaxing Shengshi Limited Partnership was approximately RMB255,000,000 (31 December 2020: 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.



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

Notes: *(continued)*

- (b) As at 30 June 2021 and 31 December 2020, 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 2019, 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 2020 and 31 December 2019, the Group held an aggregate of 72,600,160 shares of Hohhot Jingu Bank, representing approximately 4.88% 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 2021, a fair value gain of approximately RMB4,745,000 (six months ended 30 June 2020: fair value loss of approximately RMB49,610,000) was recognised in other comprehensive income. As at 30 June 2021, the approximately 4.88% (31 December 2020: 4.88%) equity interests in Hohhot Jingu Bank of approximately RMB204,508,000 (31 December 2020: RMB199,763,000) was determined with reference to the valuation report prepared by an independent professional qualified valuer.

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

Notes: *(continued)*

(b) *(continued)*

- (ii) As at 30 June 2021, the unlisted equity investment, at fair value, represents approximately 1.03% (31 December 2020: 1.03%) and approximately 0.77% (31 December 2020: 0.77%) 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.

For the six months ended 30 June 2021, a fair value loss of approximately RMB11,347,000 (six months ended 30 June 2020: RMB82,810,000) was recognised in other comprehensive income. The fair value of the unlisted equity investment of Jinzhou Bank as at 30 June 2021 of approximately RMB284,094,000 (31 December 2020: RMB295,441,000) was determined with reference to the valuation report prepared by an independent professional qualified valuer.

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.

As at 30 June 2021, the unlisted equity investments measured at fair value with the carrying amount of approximately RMB284,094,000 (31 December 2020: RMB295,441,000) were pledged as securities for the Group's loans and borrowings (note 18).

### 13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>RMB'000</b> <b>(Unaudited)</b>
<b>Equity securities listed in Hong Kong</b>	
At 1 January 2021	<b>16,921</b>
Disposals	<b>(16,728)</b>
Realised gain on fair values changes	<b>284</b>
Exchange realignment	<b>(477)</b>
<hr/>	
At 30 June 2021	-

As at 31 December 2020, the fair values of all listed securities are determined directly by reference to the quoted market bid price available on the relevant exchanges.

### 14. TRADE, BILLS AND OTHER RECEIVABLES

	<b>At 30 June</b> <b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Trade receivables	<b>2,495,289</b>	2,207,044
Bills receivables	<b>17,488</b>	2,564
Impairment provision for trade receivables	<b>(26,909)</b>	(38,239)
<hr/>		
Trade and bills receivables, net <i>(note (i))</i>	<b>2,485,868</b>	2,171,369
<hr/>		
Other receivables, prepayments and deposits	<b>1,820,908</b>	1,522,671
Impairment provision for other receivables	<b>(206,387)</b>	(132,274)
<hr/>		
Other receivables, prepayments and deposits, net	<b>1,614,521</b>	1,390,397
<hr/>		
	<b>4,100,389</b>	3,561,766

#### 14. TRADE, BILLS AND OTHER RECEIVABLES (continued)

Aging analysis of trade receivables (net of impairment), based on invoice dates, are as follows:

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Less than 3 months	<b>215,865</b>	363,724
Over 3 months but less than 6 months	<b>162,600</b>	155,673
Over 6 months but less than 12 months	<b>329,933</b>	300,938
Over 12 months but less than 24 months	<b>695,773</b>	594,676
Over 24 months	<b>1,064,209</b>	753,794
	<b>2,468,380</b>	2,168,805

Movements in provision for impairment of trade and other receivables for the six months ended 30 June 2021 are as follows:

	<b>Trade receivables RMB'000 (Unaudited)</b>	<b>Other receivables RMB'000 (Unaudited)</b>	<b>Total RMB'000 (Unaudited)</b>
At 1 January 2021	38,239	132,274	170,513
(Reversal)/Impairment provision during the period	(11,330)	74,113	62,783
At 30 June 2021	26,909	206,387	233,296

## 14. 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 2021 (31 December 2020: 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 2021, the outstanding renewable energy subsidies amounted to approximately RMB2,237,835,000 (31 December 2020: RMB1,896,598,000).

- (ii) As at 30 June 2021, certain trade receivables arising from the sales of electricity amounting to approximately RMB1,473,211,000 (31 December 2020: RMB1,190,157,000) were pledged as securities for the Group's loans and borrowings (note 18).

## 15. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents of the Group is approximately RMB248,168,000 as at 30 June 2021 (31 December 2020: RMB167,743,000) 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.

## 16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As at 30 June 2021, assets and liabilities relating to 平山縣天匯能源科技有限公司 Pingshan Tianhui Energy Technology Co., Ltd. (“Pingshan”) was presented as disposal group held for sale following the sale and purchase agreements dated 22 October 2020 entered into between the Group and the purchaser, an independent third party.

The principal activities of Pingshan was engaged in generating and sales of electricity.

As at 31 December 2020, assets and liabilities relating to Pingshan, 德州市陵城區乾超兄弟能源科技有限公司 Dezhou City Lingcheng District Qianchao Brothers Energy Technology Co., Ltd. (“Qianchao Brothers”), 榆林市江山永宸新能源有限公司 Yulin City Jiangshan Yongchen New Energy Limited (“Yongchen”) and 玉門市永聯科技新能源有限公司 Yumen Yonglian Technology New Energy Development Co., Ltd. (“Yumen”), were presented as disposal group held for sale following the sale and purchase agreements dated 22 October 2020, 4 December 2020 and 14 December 2020 entered into between the Group and the purchasers, independent third parties. The principal activities of these subsidiaries were engaged in generating and sales of electricity. These subsidiaries are collectively referred to as the 2020 disposal group.

Management assessed that Pingshan and each of entities within the 2020 disposal group are available for immediate sale in its present condition and the sale is expected to be highly probable and would be completed within twelve months after the end of the reporting period.

In accordance with HKFRS 5, assets and liabilities relating to Pingshan (31 December 2020: 2020 disposal group) were classified as disposal group classified as held for sale in the condensed consolidated statement of financial position as at 30 June 2021. The disposal did not constitute a discontinued operation as it did not represent a major line of business or geographical area of operation.

## 16. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

The Directors regard the sale proceeds less directly attributable costs which amounted to approximately RMB34,229,000 (31 December 2020: RMB1,271,585,000) as the fair value less cost of disposal for the disposal of Pingshan (31 December 2020: 2020 disposal group).

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Property, plant and equipment	–	1,360
Solar power plants	<b>107,411</b>	2,248,883
Goodwill	–	11,064
Right-of-use assets	<b>13,560</b>	113,022
Inventories	–	35
Trade and other receivables	<b>64,633</b>	1,057,105
Amounts due from group companies	<b>68</b>	194,601
Cash and cash equivalents	<b>1,967</b>	79,616
	<b>187,639</b>	3,705,686
Less: Amounts due from group companies	<b>(68)</b>	(194,601)
Impairment losses on disposal group classified as held for sale	<b>(2,692)</b>	(160,650)
	<b>184,879</b>	3,350,435
Trade and other payables	<b>10,587</b>	87,207
Amounts due to group companies	<b>52,699</b>	481,315
Loans and borrowings	<b>85,704</b>	1,694,728
Tax payable	–	2,672
Lease liabilities	–	7,529
	<b>148,990</b>	2,273,451
Less: Amounts due to group companies	<b>(52,699)</b>	(481,315)
	<b>96,291</b>	1,792,136

## 17. TRADE AND OTHER PAYABLES

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Trade payables	<b>260,183</b>	289,306
Other payables and accruals	<b>620,048</b>	771,304
	<b>880,231</b>	1,060,610

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

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Current or less than 3 months	<b>12,018</b>	19,476
Over 3 months but less than 6 months	<b>7,580</b>	5,439
Over 6 months but less than 12 months	<b>22,529</b>	77,283
Over 12 months	<b>218,056</b>	187,108
	<b>260,183</b>	289,306

Retention payable amounting to approximately RMB88,223,000 (31 December 2020: RMB139,460,000), 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.



## 18. LOANS AND BORROWINGS

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
<b>Current</b>		
Secured		
— bank loans	<b>37,500</b>	38,000
— other borrowings	<b>1,512,264</b>	2,538,645
	<b>1,549,764</b>	2,576,645
<b>Non-current</b>		
Secured		
— bank loans	<b>255,000</b>	273,500
— other borrowings	<b>3,742,300</b>	3,435,433
	<b>3,997,300</b>	3,708,933
<b>Total loans and borrowings</b>	<b>5,547,064</b>	6,285,578

## 18. LOANS AND BORROWINGS (continued)

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

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Within 1 year	<b>1,549,764</b>	2,576,645
After 1 year but within 2 years	<b>1,704,307</b>	324,094
After 2 years but within 5 years	<b>1,222,700</b>	1,005,223
After 5 years	<b>1,070,293</b>	2,379,616
	<b>5,547,064</b>	6,285,578

Loans and other borrowings bear interest ranging from 4.9% to 10.25% (31 December 2020: 4.9% to 10.25%) per annum.

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

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Fixed-rate borrowings	<b>3,789,103</b>	4,407,500
Floating-rate borrowings	<b>1,757,961</b>	1,878,078
	<b>5,547,064</b>	6,285,578

## 18. LOANS AND BORROWINGS (continued)

The loans and borrowings were secured by the following assets:

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Solar power plants (note 10)	<b>2,643,857</b>	3,324,494
Trade receivables (note 14)	<b>1,473,211</b>	1,190,157
Right-of-use assets	<b>209</b>	719
Financial assets measured at fair value through other comprehensive income (note 12)	<b>284,094</b>	295,441
	<b>4,401,371</b>	4,810,811

As at 30 June 2021 and 31 December 2020, 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 RMB500,000,000 (31 December 2020: 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\*);
- (b) other borrowings of approximately RMB621,602,000 (31 December 2020: 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\*);
- (c) other borrowings of approximately RMB275,649,000 (31 December 2020: RMB275,649,000) were pledged by 99.94% equity interests of 六安旭強新能源工程有限公司 (Liu'an Xuqiang New Energy Engineering Limited\*);
- (d) other borrowings of approximately RMB300,000,000 (31 December 2020: RMB300,000,000) were pledged by 99.94% equity interests of 嘉峪關協合新能源有限公司 (Jiayuguan Xiehe New Energy Limited\*);
- (e) other borrowings of approximately RMB180,000,000 (31 December 2020: RMB180,000,000) were pledged by 99.94% equity interests of 臨潭天朗新能源科技有限公司 (Lintan Tianlang New Energy Technology Limited\*);

## 18. LOANS AND BORROWINGS (continued)

- (f) other borrowings of approximately RMB244,351,000 (31 December 2020: RMB244,351,000) were pledged by 99.94% equity interests of 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electric Limited\*);
- (g) other borrowings of approximately RMB369,366,000 (31 December 2020: RMB369,366,000) were pledged by 99.94% equity interests of 定邊縣智信達新能源有限公司 (Dingbian County Zhixinda New Energy Limited\*);
- (h) other borrowings of approximately RMB130,634,000 (31 December 2020: RMB130,634,000) were pledged by 99.94% equity interests of 化隆縣瑞啟達新能源有限公司 (Hualong County Ruiqida New Energy Limited\*);
- (i) other borrowings of approximately RMB1,500,000,000 (31 December 2020: RMB1,500,000,000) were pledged by 99.94% 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.\*);
- (j) other borrowings of approximately RMB260,000,000 (31 December 2020: RMB260,000,000) were pledged by 96.30% equity interests of 黃驊市正陽新能源有限公司 (Huanghua Zhengyang New Energy Limited\*); and
- (k) other borrowings of approximately RMB185,000,000 (31 December 2020: RMB185,000,000) 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 RMB100,050,000 (31 December 2020: RMB101,231,000).

## 19. CORPORATE BONDS

As at 30 June 2021, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$309,000,000 (equivalent to approximately RMB257,113,000) (31 December 2020: HK\$336,500,000 (equivalent to approximately RMB283,212,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 7% (31 December 2020: 3% to 7%) per annum, and will mature on the date immediately following 6 to 96 months (31 December 2020: 3 to 96 months) after their issuance.

During the six months ended 30 June 2021 and 2020, the Group did not issue any corporate bonds.

During the six months ended 30 June 2021, the Group repaid HK\$27,500,000 (equivalent to approximately RMB22,882,000) (six months ended 30 June 2020: HK\$5,000,000 (equivalent to approximately RMB4,567,000)) 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 10.40% to 14.56% (six months ended 30 June 2020: 10.40% to 14.56%) per annum. Imputed interest of approximately HK\$15,921,000 (equivalent to approximately RMB13,275,000) (six months ended 30 June 2020: HK\$16,558,000 (equivalent to approximately RMB15,002,000)) (note 5) in respect of the corporate bonds was recognised in profit or loss during the six months ended 30 June 2021.

As at 30 June 2021, Corporate Bonds amounting to approximately HK\$288,320,000 (equivalent to approximately RMB239,905,000) (31 December 2020: HK\$272,801,000 (equivalent to approximately RMB229,601,000)) and approximately HK\$15,778,000 (equivalent to approximately RMB13,129,000) (31 December 2020: HK\$52,317,000 (equivalent to approximately RMB44,032,000)) were classified as current liabilities and non-current liabilities, respectively.

## 20. SHARE CAPITAL

	<b>Number of shares</b>	RMB'000
	'000	
Issued and fully paid:		
At 1 January 2020, 30 June 2020, 31 December 2020, 1 January 2021 and 30 June 2021	14,964,442	6,486,588

## 21. DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2021, the Group disposed of the entire equity interests in certain PRC-incorporated entities at a total consideration of approximately RMB1,237,356,000. These entities are set out below:

<b>Name of entities</b>	<b>Disposal dates</b>
Yumen	15 January 2021
Qianchao Brothers	1 April 2021
Yongchen	30 April 2021

*Note:*

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

## 21. DISPOSAL OF SUBSIDIARIES (continued)

During the six months ended 30 June 2021, 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	4,944
Solar power plants	2,128,935
Right-of-use assets	92,718
Inventories	2,348
Trade and other receivables	1,080,363
Cash and cash equivalents	65,293
Other payables and accruals	(332,598)
Lease liabilities	(7,633)
Loans and borrowings	(1,602,603)
	1,431,767
Impairment losses on disposal group held for sale recognised in prior year	(145,353)
Net losses on disposal of subsidiaries	(49,058)
	1,237,356
Total consideration	
	1,237,356
Consideration transferred, satisfied by:	
Cash	863,252
Trade and other receivables	374,104
	1,237,356

## 21. DISPOSAL OF SUBSIDIARIES (continued)

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	863,252
Cash and cash equivalents disposed of	(65,293)
	<b>797,959</b>

Please refer to the 2020 interim report of the Company for comparative information relating to disposal of subsidiaries.

## 22. CAPITAL COMMITMENTS

At 30 June 2021, the Group had outstanding capital commitments as follows:

	<b>At 30 June 2021 RMB'000 (Unaudited)</b>	At 31 December 2020 RMB'000 (Audited)
Contracted but not provided for in respect of — the construction costs and service expense for solar power plants under construction	<b>45,870</b>	200,125

## 23. MATERIAL RELATED PARTY TRANSACTION

During the six months ended 30 June 2021, the Group had no material related party transactions.



## 24. 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.

## 24. 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:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 30 June 2021</b>				
Financial assets measured at fair value through profit or loss	–	–	–	–
Financial assets measured at fair value through other comprehensive income	–	–	1,268,554	1,268,554
<b>As at 31 December 2020</b>				
Financial assets measured at fair value through profit or loss	16,921	–	–	16,921
Financial assets measured at fair value through other comprehensive income	–	–	1,275,156	1,275,156

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 12(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 2021.

## 24. FAIR VALUE MEASUREMENT *(continued)*

The fair values of the financial assets measured at fair value through other comprehensive income relating to Jinzhou Bank (note 12(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 2021.

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 2021.

### Significant unobservable inputs

#### *Hohhot Jingu Bank*

Discount for lack of marketability 20.6% (31 December 2020: 20.6%)

If the discount for lack of marketability is 5% higher or lower, while all the other variables were held constant, the fair value of the financial assets measured at fair value through other comprehensive income in respect of Hohhot Jingu Bank would decrease/increase by approximately RMB12,878,000 (31 December 2020: RMB12,579,000).

There is no change in valuation techniques during the period.

#### *Jinzhou Bank*

Discount for lack of marketability 20.6% (31 December 2020: 20.6%)

There is no change in valuation techniques during the period. Given that Jinzhou Bank had been suspended for trading due to significant asset reorganisation and the outcome of significant asset reorganisation was uncertain at year end date, a higher discount for lack of marketability was adopted by the valuer.

If the discount for lack of marketability is 5% higher or lower, while all the other variables were held constant, the fair value of the financial assets measured at fair value through other comprehensive income in respect of Jinzhou Bank would decrease/increase by approximately RMB17,890,000 (31 December 2020: RMB18,605,000).

## 24. FAIR VALUE MEASUREMENT *(continued)*

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 2021	1,275,156
Fair value changes recognised in other comprehensive income during the period	(6,602)
At 30 June 2021	1,268,554

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 2021.

## 25. EVENTS AFTER REPORTING DATE

On 10 July 2021, the Group entered into sale and purchase agreements with an independent third party to dispose the entire equity interests in 金塔縣永嘉新能源有限公司 (Jinta Yongjia New Energy Limited\*), 甘肅宏遠光電有限責任公司 (Gansu Hongyuan Photovoltaic Limited\*), 敦煌萬發新能源有限公司 (Dunhuang Wanfa New Energy Limited Company\*), 化隆縣瑞啟達新能源有限公司 (Hualong County Ruiqida New Energy Limited\*), 黃驊市正陽新能源有限公司 (Huanghua Zhengyang New Energy Limited\*), 嘉峪關協合新能源有限公司 (Jiayuguan Xiehe New Energy Co. Ltd.\*) and 臨潭天朗新能源科技有限公司 (Lintan Tianlang New Energy Technology Co., Ltd.\*) for total equity consideration of approximately RMB1,285,814,000. The transactions were approved by the shareholders of the Company in an extraordinary general meeting on 14 September 2021.

Save as disclosed above, there are no other material events affecting the Group which have occurred after 30 June 2021 and up to the date of this interim report.

\* For identification purpose only

## 26. COMPARATIVE FIGURES

Certain comparative figures have been represented to conform with changes in presentation in current period. The following change that has been made to comparative figures in the condensed consolidated statement of profit or loss for the six months ended 30 June 2020, to be consistent with the presentation in the current period's condensed consolidated statement of profit or loss:

Impairment loss on trade and other receivables, net of approximately RMB62,783,000, being reclassified from "Other gains and losses" and separately shown as "Impairment loss on trade and other receivables, net" in the condensed consolidated statement of profit or loss.