



江山控股

KongSun Holdings

Kong Sun Holdings Limited

Stock Code : 295



INTERIM
REPORT
2024

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CORPORATE INFORMATION

EXECUTIVE DIRECTOR

Mr. Xian He

NON-EXECUTIVE DIRECTOR

Mr. Jiang Hengwen (*Chairman*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tang Jian
(Appointed on 11 June 2024)
Ms. Tang Yinghong
Ms. Wu Wennan
Mr. Xu Xiang (Resigned on 11 June 2024)

AUDIT COMMITTEE

Ms. Wu Wennan (*Chairman*)
Mr. Tang Jian
(Appointed on 11 June 2024)
Ms. Tang Yinghong
Mr. Xu Xiang (Resigned on 11 June 2024)

NOMINATION COMMITTEE

Ms. Tang Yinghong (*Chairman*)
Mr. Tang Jian
(Appointed on 11 June 2024)
Ms. Wu Wennan
Mr. Xu Xiang (Resigned on 11 June 2024)

REMUNERATION COMMITTEE

Mr. Tang Jian (*Chairman*)
(Appointed on 11 June 2024)
Ms. Tang Yinghong
Ms. Wu Wennan
Mr. Xu Xiang (Resigned on 11 June 2024)

REGISTERED OFFICE

Unit 803–4, 8/F
Everbright Centre
108 Gloucester Road
Wanchai
Hong Kong

CORPORATE INFORMATION *(continued)*

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. Xian He
Mr. Ching Kin Wai

AUDITOR

BDO Limited

LEGAL ADVISOR AS TO HONG KONG LAWS

Sidley Austin

STOCK CODE

295

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “Board”) of directors, I hereby present the results of Kong Sun Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2024.

In the first half of 2024, the solar power generation industry continued to benefit from policy support from all levels of the Chinese government. The State Council, the National Energy Administration and other departments of the People's Republic of China (the “PRC” or “China”) have successively issued a number of policy documents including “2024-2025 Energy Conservation and Carbon Reduction Action Plan” and the “Notice of Effectively Conducting the Work Concerning New Energy Consumption and Absorption to Ensure High-quality Development of New Energy” to encourage the development and consumption of renewable energy power.

In the first half of 2024, the Group continued to adopt a steady and pragmatic business strategy, striving to enhance the efficiency of power stations, while actively adjusting its asset structure and exploring business transformation opportunities. As of 30 June 2024, the Group held 11 grid-connected solar power plants in Shaanxi, Anhui, Inner Mongolia, Hubei, and Shanxi in China, with a total installed capacity of 290 megawatt (“MW”) and a total power generation of approximately 164,173 megawatt-hours (“MWh”) in the first half of 2024. Meanwhile, the Group continued to develop its financial technology business such as Internet microfinance loans and expand the diversified development of the medical and health sector, while persisting to explore other investment opportunities in other sectors. In the first half of 2024, the Group recorded a revenue of RMB229 million and a gross profit of RMB119 million.

In the future, the Group will continue to develop its clean energy and technology-driven financial services, further optimize its asset structure, enhance the efficiency of equipment in power plants, and accelerate its pace in the diversified development of the medical and health sector, strive to improve the Group's operating results, and promote the development of green and low-carbon energy in China, thus contributing to environmental protection and people's health.



CHAIRMAN'S STATEMENT *(continued)*

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 maximizing overall return for its shareholders.

Jiang Hengwen

Chairman

Hong Kong, 29 August 2024

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	229,087	232,658
Gross profit	118,550	96,864
Loss for the period	(182,664)	(4,180)
Loss per share attributable to owners of the Company for the period		
– Basic (RMB cents)	(1.09)	(0.03)
– Diluted (RMB cents)	(1.09)	(0.03)
	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Total non-current assets	2,444,599	2,465,468
Total current assets	2,915,402	3,257,037
Total assets	5,360,001	5,722,505
Total non-current liabilities	615,435	764,349
Total current liabilities	1,989,108	2,028,118
Total liabilities	2,604,543	2,792,467
NET ASSETS	2,755,458	2,930,038

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 financial services and asset management, construction of Digital and Intelligent Traditional Chinese Medicine (“DI-TCM”) health management and service system and provision of DI-TCM diagnosis and treatment equipment, and provision of solar power plant operation and maintenance services.

SOLAR POWER PLANTS BUSINESS

During the six months ended 30 June 2024, the Group continued its investment in and development of solar power plants in the PRC. As at 30 June 2024, the Group had a total of 290 MW completed solar power plants as follows:

Completed solar power plants

PRC Province	Number of solar power plants	Capacity of solar power plants
Shaanxi	3	90.0 MW
Inner Mongolia	1	10.0 MW
Shanxi	1	20.0 MW
Anhui	5	140.0 MW
Hubei	1	30.0 MW
Total	11	290 MW

PROVISION OF FINANCIAL SERVICES

The revenue arising from the provision of financial services increased by approximately 95.8% from approximately RMB28,520,000 for the six months ended 30 June 2023 to approximately RMB55,837,000 for the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

HEALTH MANAGEMENT SERVICES

With the acquisition of 北京鷹之眼智能健康科技有限公司 (Beijing Eagle Eye Intelligent Health Technology Co., Ltd.*) (“Beijing Eagle Eye”) in December 2023, the Group has stepped into the DI-TCM health management business. The revenue arising from the health management services was approximately RMB5,349,000 for the six months ended 30 June 2024.

RESULTS OF OPERATIONS

Revenue

The Group’s revenue decreased by approximately 1.5% from approximately RMB232,658,000 for the six months ended 30 June 2023 to approximately RMB229,087,000 for the six months ended 30 June 2024. The decrease was due to the decrease in revenue from sales of electricity during the period with the disposal of two solar power plants in the second half of 2023.

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 15.3% from approximately RMB153,548,000 for the six months ended 30 June 2023 to approximately RMB130,030,000 for the six months ended 30 June 2024. As at 30 June 2024, the Group had a total of 290 MW (31 December 2023: 290 MW) installed capacity of solar power plants. The solar power plants owned by the Group have generated electricity in an aggregate volume of approximately 164,173 MWh for the six months ended 30 June 2024, representing a decrease of approximately 22.3% as compared to approximately 211,330 MWh for the six months ended 30 June 2023.

The Group’s revenue from provision of solar power plant operation and maintenance services decreased by approximately 25.1% from approximately RMB50,590,000 for the six months ended 30 June 2023 to approximately RMB37,871,000 for the six months ended 30 June 2024. With the completion of the disposal of 60% interests of the solar power plant operation and maintenance services business on 17 April 2024, it is expected that there will not be any more revenue from this business contribute to the Group in the second half of 2024. For details, please refer to the Company’s announcement dated 29 January 2024 and the Company’s circular dated 20 March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Revenue from Provision of Financial Services

The Group's revenue from the provision of financial services increased by approximately 95.8% from approximately RMB28,520,000 for the six months ended 30 June 2023 to approximately RMB55,837,000 for the six months ended 30 June 2024.

Revenue from Health Management Services

The Group's revenue from health management services was approximately RMB5,349,000 for the six months ended 30 June 2024. No such amount was recorded for the six months ended 30 June 2023.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by approximately 22.4% from approximately RMB96,864,000 for the six months ended 30 June 2023 to approximately RMB118,550,000 for the six months ended 30 June 2024. The gross profit margin of the Group increased from approximately 41.6% for the six months ended 30 June 2023 to approximately 51.7% for the six months ended 30 June 2024 mainly due to start of some loans in provision of financial services, which has a higher gross profit margin affecting the overall gross profit margin of the Group.

Other (Losses)/Gains, Net

The other losses, net of the Group for the six months ended 30 June 2024 was approximately RMB2,687,000, compared to other gains, net of approximately RMB41,915,000 for the six months ended 30 June 2023. The change was mainly due to (i) the decrease in dividend income of approximately RMB20,250,000; (ii) the decrease in rental income of approximately RMB5,910,000; and (iii) the increase in solar power plant rectification expenses of approximately RMB9,963,000.

Administrative Expenses

Administrative expenses of the Group increased by approximately 83.3% from approximately RMB96,667,000 for the six months ended 30 June 2023 to approximately RMB177,210,000 for the six months ended 30 June 2024. The increase was mainly attributable to the increase in employee benefit expense and research and development expenses during the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Loss on Disposal of Subsidiaries, Net

During the six months ended 30 June 2024, the Group disposed of 60% interests of the solar power plant operation and maintenance services, and recorded net loss on such disposals of approximately RMB3,307,000. No such amount was recorded for the six months ended 30 June 2023. 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

During the six months ended 30 June 2024, the Group has recorded an impairment loss on a disposal group classified as held for sale of approximately RMB1,443,000 for the reason set out below.

On 11 August 2023, the Group entered into sale and purchase agreements with an independent third party to dispose of the entire equity interests in four solar power projects in the PRC, for a total equity consideration of approximately RMB350,179,000.

An impairment loss of approximately RMB1,443,000, representing difference between net asset value of 黃石黃源光伏電力開發有限公司 (Huangshi Huangyuan Photovoltaic Power Development Limited*), 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electricity Limited*), 定邊縣萬和順新能源發電有限公司 (Dingbian Wanheshun New Energy Power Generation Limited*) and 榆林正信電力有限公司 (Yulin Zhengxin Electricity Limited*) as at 31 December 2023 and 30 June 2024, was charged to profit or loss during the six months ended 30 June 2024.

No such amount was recorded for the six months ended 30 June 2023.

Impairment loss on trade and other receivables, net

During the six months ended 30 June 2024, impairment loss regarding certain trade and other receivables, net amounting to approximately RMB20,543,000 (six months ended 30 June 2023: RMB7,390,000) was recorded based on the lifetime expected credit losses.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Finance Costs

Finance costs of the Group decreased by approximately 27.4% from approximately RMB79,991,000 for the six months ended 30 June 2023 to approximately RMB58,039,000 for the six months ended 30 June 2024. As the Group's average total loans and borrowings decreased as compared to the corresponding period last year, the finance costs related to these borrowings also decreased.

Solar Power Plants

As at 30 June 2024, the Group had a net carrying value of approximately RMB906,236,000 (31 December 2023: RMB939,706,000) and approximately RMB3,390,000 (31 December 2023: RMB3,390,000) in completed solar power plants and solar power plants under construction, respectively. As at 30 June 2024, the Group had a total of 290 MW (31 December 2023: 290 MW) installed capacity of completed solar power plants.

Interest in associates

As at 30 June 2024, the net carrying amount of associates was approximately RMB225,722,000 (31 December 2023: RMB218,533,000).

Interest in joint ventures

As at 30 June 2024, the net carrying amount of joint ventures was approximately RMB175,674,000 (31 December 2023: RMB209,748,000).

Right-of-use Assets

As at 30 June 2024, the right-of-use assets amounted to approximately RMB101,809,000 (31 December 2023: RMB127,197,000).

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 3.5% from approximately RMB595,942,000 as at 31 December 2023 to approximately RMB575,333,000 as at 30 June 2024. The decrease was due to the fair value loss of approximately RMB20,609,000. 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 13 to the “Notes to the Condensed Consolidated Interim Financial Statements” in this interim report.

Intangible Assets

As at 30 June 2024, the intangible assets amounted to approximately RMB14,537,000 (31 December 2023: RMB10,639,000)

Trade and Other Receivables

Trade and other receivables decreased by approximately 6.2% from approximately RMB1,925,878,000 as at 31 December 2023 to approximately RMB1,806,438,000 as at 30 June 2024.

Loan to an Associate

As at 30 June 2024, the Group had a loan to an associate of approximately RMB130,562,000 (31 December 2023: RMB125,498,000). The Group entered into a loan agreement with an associate, 江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*) on 1 November 2022 for a loan period of 3 years. The loan is secured and interest-bearing, which carries interest rate of 9.0% per annum.

Trade and Other Payables

Trade and other payables decreased by approximately 6.2% from approximately RMB668,397,000 as at 31 December 2023 to approximately RMB626,997,000 as at 30 June 2024.

Lease Liabilities

As at 30 June 2024, the lease liabilities amounted to approximately RMB119,550,000 (31 December 2023: RMB147,299,000).

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Liquidity and Capital Resources

As at 30 June 2024, cash and cash equivalents of the Group was approximately RMB69,708,000 (31 December 2023: RMB254,778,000), which included an amount of bank balances of approximately RMB67,219,000 (31 December 2023: RMB244,839,000) 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 2024, the Group's net debt ratio (or gearing ratio), which was calculated by the total loans and borrowings and corporate bonds minus total cash and cash equivalents, over total equity, was approximately 0.54 (31 December 2023: 0.48).

Capital Expenditure

During the six months ended 30 June 2024, the Group's total expenditure in respect of property, plant and equipment and solar power plants amounted to approximately RMB2,974,000 (six months ended 30 June 2023: RMB374,000) and approximately RMB64,000 (six months ended 30 June 2023: RMB1,335,000), respectively.

Loans and Borrowings

As at 30 June 2024, the Group's total loans and borrowings was approximately RMB1,532,263,000, representing a decrease of approximately 7.7% as compared to approximately RMB1,659,216,000 as at 31 December 2023. 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 2024, loans and borrowings of approximately RMB1,075,050,000 (31 December 2023: RMB1,172,530,000) and approximately RMB457,213,000 (31 December 2023: RMB486,686,000) bear fixed interest rate and floating interest rate, respectively.

As at 30 June 2024, out of the total borrowings, approximately RMB1,013,352,000 (31 December 2023: RMB1,026,803,000) was repayable within one year and approximately RMB518,911,000 (31 December 2023: RMB632,413,000) 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 2024, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$19,000,000 (equivalent to approximately RMB17,341,000 (31 December 2023: HK\$19,000,000 (equivalent to approximately RMB17,218,000))) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 6% (31 December 2023: 3% to 6%) per annum, and will mature on the date immediately following 36 to 96 months (31 December 2023: 36 to 96 months) after their issuance.

During the six months ended 30 June 2024 and 2023, the Group did not issue and repay any corporate bonds.

The corporate bonds are measured at amortised cost using effective interest method by applying an effective interest rate at 10.40% (six months ended 30 June 2023: 10.40% per annum). Imputed interest of approximately HK\$403,000 (equivalent to approximately RMB367,000) (six months ended 30 June 2023: HK\$385,000 (equivalent to approximately RMB341,000)) (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 2024.

Foreign Exchange Rate Risk

The Group primarily operates its business in the PRC and during the six months ended 30 June 2024, the Group’s revenue were primarily denominated in RMB, being the functional currency of the Group’s major operating subsidiaries. Accordingly, the directors of the Company (the “Directors”) expect that any future exchange rate fluctuation will not have any material effect on the Group’s business. The Group did not use any financial instruments for hedging purposes, but will continue to monitor foreign exchange changes to best preserve the Group’s cash value.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS *(continued)*

Charge on Assets

As at 30 June 2024, the Group had charged solar power plants, trade receivables and unlisted equity investments with net book value of approximately RMB725,476,000 (31 December 2023: RMB382,345,000), approximately RMB394,530,000 (31 December 2023: RMB300,336,000) and approximately RMB120,183,000 (31 December 2023: RMB129,543,000), 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, as at 30 June 2024, the Group had no other charges on assets.

Contingent Liabilities

The Group acquired equity interests of certain subsidiaries principally engaged in the development of solar power plant projects and the applications for the development of these solar power plant projects were actually made by their former shareholders. According to certain notices (the “Notices”) issued by the State Energy Administration (國家能源局), the Notices prohibit the original applicants who have obtained the approval documents from the government authorities for the solar power plant projects from transferring the equity interests of solar power plant projects before such solar power plants were connected to the power grid. Therefore, these subsidiaries may be subject to fines or other adverse consequences imposed by the relevant PRC government authorities in the future. The relevant PRC government authorities are currently conducting nationwide inspections on matters such as compliance of equity transfer of solar power plants and full grid-connected power generation time. The Group will actively cooperate with the relevant PRC government authorities in inspections if necessary and assess the impact of the inspection results on the development of the Group’s solar power plants in a timely manner.

Save as disclosed above, as at 30 June 2024, the Group had no other significant contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

RESULTS OF OPERATIONS (continued)

Employees and Remuneration Policy

As at 30 June 2024, the Group had approximately 737 employees (31 December 2023: 1,375) 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 2024, the total employee benefit expenses (including directors' emoluments) were approximately RMB119,214,000 (six months ended 30 June 2023: RMB101,807,000). For details, please refer to note 6(A) to the "Notes to the Condensed Consolidated Interim Financial Statements" of this interim report. The remuneration policy of the Group is to provide remuneration packages, including basic salary, short-term bonuses and long-term rewards, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, or when occasion requires. The Group also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSAL

On 29 January 2024, 揚州啓星新能源發展有限公司 (Yangzhou Qixing New Energy Development Limited*) ("Yangzhou Qixing"), an indirect wholly-owned subsidiary of the Company, as the vendor and 北京億鑫豐泰科技合夥(有限合夥) (Beijing Yixin Fengtai Technology Partnership (Limited Partnership)*) ("Beijing Yixin") as the purchaser entered into an agreement, pursuant to which Yangzhou Qixing conditionally agreed to sell, and Beijing Yixin conditionally agreed to acquire, 60% equity interests in 陝西億潤新能源科技有限公司 (Shaanxi Yirun New Energy Technology Co., Ltd.*) for a total consideration of RMB4,200,000 (the "Disposal"). Completion of the Disposal took place on 17 April 2024. For details, please refer to the Company's announcements dated 29 January 2024 and 9 April 2024 and the Company's circular dated 20 March 2024.

Save as disclosed in this interim report, the Group did not have any other significant investments in an investee company with a value of 5% or more of the Company's total assets, other material acquisition or disposal during the six months ended 30 June 2024, and there was no plan authorised by the Board for other material investments or additions of capital assets up to the date of this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

(continued)

PROSPECT

With the significant decrease in the price of solar power generation equipment since 2023, the cost of solar power generation is becoming more competitive globally. As a result, the demand for solar power in various countries is expected to continue to grow amidst the wave of renewable energy transformation.

In the first half of 2024, benefiting from the policy support from all levels of the Chinese government and the further reduction of investment costs, China's clean energy industry continued to develop steadily, and the solar power generation industry grew rapidly as the installed capacity continued to expand. According to the data released by the National Energy Administration, in the first half of 2024, China's newly installed solar power generation capacity was 102.48 million KW, and the cumulative installed capacity was 710 million KW, representing a year-on-year increase of 51.6%.

Looking forward, the Group will continue to implement the strategies on the operation of solar power plants, optimize asset allocation efficiency and step up to improve the efficiency of the equipment at the power stations, and continue to develop its green finance and inclusive finance business. At the same time, the Group will accelerate its pace in the diversified development of the medical and health sector, strive to improve the Group's operation structure and operating results, so as to maximize the return of the assets and value for its shareholders.

DISCLOSURE OF OTHER INFORMATION

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.

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

As at 30 June 2024, the interests or short positions of each Director and chief executive of the Company in the shares of the Company (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; or were required pursuant to the Model Code for Securities Transactions by Directors of the Company (the "Model Code") as set out in Appendix C3 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (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	Number of Shares held/ interested in	Approximate percentage of shareholding ⁽²⁾
<i>Executive Director</i> Xian He	Beneficial owner	1,650,000 (L)	0.01%
	Interest of spouse ⁽¹⁾	5,475,000 (L)	0.04%

Note:

- (1) 5,475,000 Shares are held by Ms. He Xiang, who is the wife of Mr. Xian He. Therefore, Mr. Xian He is deemed to be interested in a long position of an aggregate of 5,475,000 Shares held by Ms. He Xiang under the SFO.
- (2) The percentage represents the number of ordinary Shares interested divided by the number of the issued Shares as at 30 June 2024, being 14,964,442,519 Shares.

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 2024, 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 2024, 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 ⁽³⁾	Percentage of shareholding ⁽²⁾
Miao Yu	Deemed interest in controlled corporation ⁽¹⁾	2,735,749,600 (L)	18.28%
Prospect Ace Limited	Beneficial owner ⁽¹⁾	2,735,749,600 (L)	18.28%
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 2,735,749,600 Shares held by Prospect Ace Limited.
- (2) The percentage represents the number of ordinary Shares interested divided by the number of the issued Shares as at 30 June 2024, 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 2024, 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.

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 C1 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 2024.

Code provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and chief executive officer (“CEO”) should be separate and should not be performed by the same individual.

On 25 November 2022, Mr. Jiang Hengwen was appointed as the chairman of the board of Directors (the “Board”) and the Company has not appointed any CEO. The duties and responsibilities of the CEO are then carried out by the executive Director. The Board will review the management structure regularly and consider the appointment of CEO if and when appropriate.

DISCLOSURE OF OTHER INFORMATION *(continued)*

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

EVENTS AFTER REPORTING DATE

On 15 August 2024, 深圳市江天永健科技有限公司 (Shenzhen Jiangtian Yongjian Technology Company Limited*) (a wholly-owned subsidiary of the Company) (the “Purchaser”), QUBOT Holdings Limited (the “Vendor”) and 北京思博慧醫科技有限公司 (the “Target Company”), among others, entered into an agreement, pursuant to which (i) the Purchaser conditionally agreed to subscribe for equity interest in the Target Company representing 20% of the total equity interest of the Target Company immediately after this subscription for a subscription price of RMB36,000,000 (the “Subscription”); and (ii) the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the sale interest representing 10% of the total equity interest of the Target Company immediately after the Subscription for a total consideration of RMB14,000,000 (the “Acquisition”), such that upon completion of the Subscription and the Acquisition, the Purchaser will be interested in 30% equity interest in the Target Company. The Target Company will not become a subsidiary of the Company as a result of the Subscription and the Acquisition and its financial results will not be consolidated in the financial statements of the Group. For details, please refer to the Company’s announcement on 15 August 2024.

Save as disclosed above, there are no important events affecting the Group which have occurred after 30 June 2024 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 contained in Appendix C3 to the Listing Rules (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 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

CHANGES OF INFORMATION OF DIRECTORS

There is no information relating to the Directors which is required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of Listing Rules during the six months ended 30 June 2024.

AUDIT COMMITTEE

The Audit Committee has reviewed, with no disagreement, the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2024 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
Jiang Hengwen
Chairman

29 August 2024, Hong Kong

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

(Expressed in Renminbi unless otherwise stated)

		Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
	Notes		
Revenue	3	229,087	232,658
Cost of sales		(110,537)	(135,794)
Gross profit		118,550	96,864
Other (losses)/gains, net	4	(2,687)	41,915
Administrative expenses		(177,210)	(96,667)
Loss on disposal of subsidiaries, net	20	(3,307)	–
Impairment loss on a disposal group classified as held for sale	16	(1,443)	–
Impairment loss on trade and other receivables, net	14	(20,543)	(7,390)
Finance costs	5	(58,039)	(79,991)
Impairment loss on interest in a joint venture		(6,842)	–
Share of (loss)/profit of joint ventures	12	(27,232)	5,827
Share of profit of associates	11	735	41,530
(Loss)/profit before income tax	6	(178,018)	2,088
Income tax expense	7	(4,646)	(6,268)
Loss for the period		(182,664)	(4,180)
Loss for the period attributable to:			
Owners of the Company		(163,727)	(5,209)
Non-controlling interests		(18,937)	1,029
		(182,664)	(4,180)
Loss per share attributable to owners of the Company for the period	8		
Basic and diluted (RMB cents)		(1.09)	(0.03)

The notes on pages 30 to 62 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

(Expressed in Renminbi unless otherwise stated)

	Notes	Six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Loss for the period		(163,727)	(5,209)
Other comprehensive income, net of tax			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes in financial assets measured at fair value through other comprehensive income, net	13	(20,609)	(18,216)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		28,693	22,878
Other comprehensive income for the period, net of tax		8,084	4,662
Total comprehensive income for the period		(155,643)	(547)
Total comprehensive income attributable to:			
Owners of the Company		(136,706)	(1,576)
Non-controlling interests		(18,937)	1,029
		(155,643)	(547)

The notes on pages 30 to 62 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

(Expressed in Renminbi unless otherwise stated)

		At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		29,136	31,417
Solar power plants	10	909,626	943,096
Interests in associates	11	225,722	218,533
Interest in joint ventures	12	175,674	209,748
Right-of-use assets		101,809	127,197
Financial assets measured at fair value through other comprehensive income	13	575,333	595,942
Intangible assets		14,537	10,639
Trade receivables	14	274,404	191,840
Deferred tax assets		13,466	12,164
Loan to an associate		124,892	124,892
		2,444,599	2,465,468
Current assets			
Inventories		17,039	14,986
Trade and other receivables	14	1,532,034	1,734,038
Loan to an associate		5,670	606
Cash and cash equivalents	15	69,708	254,778
		1,624,451	2,004,408
Assets of disposal groups classified as held for sale	16	1,290,951	1,252,629
Total current assets		2,915,402	3,257,037

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 30 June 2024

(Expressed in Renminbi unless otherwise stated)

	Notes	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Current liabilities			
Trade and other payables	17	626,997	668,397
Lease liabilities		30,508	22,629
Loans and borrowings	18	1,013,352	1,026,803
Loans from an associate		26,100	26,100
Corporate bonds	19	9,127	9,062
Contract liabilities		–	140
Tax payable		5,536	5,305
		1,711,620	1,758,436
Liabilities of disposal groups classified as held for sale	16	277,488	269,682
Total current liabilities		1,989,108	2,028,118
Net current assets		926,294	1,228,919
Total assets less current liabilities		3,370,893	3,694,387
Non-current liabilities			
Lease liabilities		89,042	124,670
Loans and borrowings	18	518,911	632,413
Corporate bonds	19	7,482	7,266
		615,435	764,349
NET ASSETS		2,755,458	2,930,038
CAPITAL AND RESERVES			
Share capital	20	6,486,588	6,486,588
Reserves		(3,800,481)	(3,644,838)
Equity attributable to owners of the Company		2,686,107	2,841,750
Non-controlling interests		69,351	88,288
TOTAL EQUITY		2,755,458	2,930,038

The notes on pages 30 to 62 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

(Expressed in Renminbi unless otherwise stated)

Note	Equity attributable to the owners of the Company						Non-controlling interests	Total equity
	Share capital	PRC statutory reserve	Exchange reserve	Fair value through other comprehensive income reserve	Accumulated losses	Total		
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Balance at 1 January 2023	6,486,588	107,553	(41,050)	(681,211)	(2,525,814)	3,346,066	88,050	3,434,116
Loss for the period	-	-	-	-	(5,209)	(5,209)	1,029	(4,180)
Other comprehensive income, net of tax	-	-	22,878	(18,216)	-	4,662	-	4,662
Total comprehensive income, net of tax	-	-	(18,172)	(699,427)	(2,531,023)	3,345,519	89,079	3,434,598
Appropriation to PRC statutory reserves	-	3,531	-	-	(3,531)	-	-	-
Balance at 30 June 2023	6,486,588	111,084	(18,172)	(699,427)	(2,534,554)	3,345,519	89,079	3,434,598
Balance at 1 January 2024	6,486,588	91,230	(45,314)	(845,463)	(2,845,291)	2,841,750	88,288	2,930,038
Loss for the period	-	-	-	-	(163,727)	(163,727)	(18,937)	(182,664)
Other comprehensive income, net of tax	-	-	28,693	(20,609)	-	8,084	-	8,084
Total comprehensive income, net of tax	-	-	(16,621)	(866,072)	(3,009,018)	2,686,107	69,351	2,755,458
Appropriation to PRC statutory reserves	-	2,864	-	-	(2,864)	-	-	-
Disposal of subsidiaries	-	(53)	-	-	53	-	-	-
Balance at 30 June 2024	6,486,588	94,041	(16,621)	(866,072)	(3,011,829)	2,686,107	69,351	2,755,458

The notes on pages 30 to 62 form part of this interim report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

(Expressed in Renminbi unless otherwise stated)

		Six months ended 30 June	
		2024	2023
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
Net cash used in operations		(7,321)	(218,093)
Tax paid		(8,336)	(7,487)
Net cash used in operating activities			
		(15,657)	(225,580)
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		(2,253)	–
Payment for construction of solar power plants		(64)	(3,477)
(Payment for)/proceeds from disposal of subsidiaries, net of cash disposed	21	(2,657)	90,232
Dividend income received from financial assets measured at fair value through other comprehensive income		–	20,250
Increase in loan to an associate		–	(6,000)
Payment for acquisition of associates		–	(10,000)
Other cash flows from investing activities		2,890	499
Net cash (used in)/generated from investing activities			
		(2,084)	91,504

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

For the six months ended 30 June 2024

(Expressed in Renminbi unless otherwise stated)

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flow from financing activities		
Proceeds from new loans and borrowings	1,000	815,470
Repayment of loans and borrowings	(139,853)	(745,457)
Payment of lease liabilities	(6,207)	(4,230)
Interest paid	(51,098)	(75,690)
Net cash used in financing activities	(196,158)	(9,907)
Net decrease in cash and cash equivalents	(213,899)	(143,983)
Cash and cash equivalents at 1 January	257,455	301,979
Effect of foreign exchange rate changes	28,239	23,534
Cash and cash equivalents at 30 June	71,795	181,530
Cash and cash equivalents as at 1 January, represented by:		
Bank balances and cash	254,778	301,979
Bank balances and cash included in assets classified as held for sale	2,677	–
	257,455	301,979
Cash and cash equivalents as at 30 June, represented by:		
Bank balances and cash	69,708	181,530
Bank balances and cash included in assets classified as held for sale	2,087	–
	71,795	181,530

The notes on pages 30 to 62 form part of this interim report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2024

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 issue on 29 August 2024.

The financial information relating to the financial year ended 31 December 2023 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 2023 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 2023 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 2023 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 29 August 2024.

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 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 2023 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 2024.

For the six months ended 30 June 2024, the Group has 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 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK-Int 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the above new or revised HKFRSs in the current period has no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated financial statements.

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:

New standards and amendments		Effective for accounting periods beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK-Int 5 (Amendments)	Presentation of Financial Statements - Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

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), interest income generated from provision of financial services, income from health management services and income from provision of solar power plant operation and maintenance services. The amount of each significant category of revenue during the period is as follows:

	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Sales of electricity	130,030	153,548
Interest income generated from provision of financial services	55,837	28,520
Health management services	5,349	–
Provision of solar power plant operation and maintenance services	37,871	50,590
	229,087	232,658

During the six months ended 30 June 2024, sales of electricity includes renewable energy subsidies amounted to approximately RMB84,889,000 (six months ended 30 June 2023: RMB92,760,000).

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information

(i) Business segments

The Board has identified the solar power plants, financial services, health management services and trading of liquefied natural gas ("LNG") 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 2024 and 2023 is set out below.

	Six months ended 30 June 2024				
	Solar power plants RMB'000 (Unaudited)	Financial Services RMB'000 (Unaudited)	Health management services RMB'000 (Unaudited)	Trading of LNG RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	167,901	55,837	5,349	-	229,087
Inter-segment revenue	-	-	-	-	-
Reportable segment revenue	167,901	55,837	5,349	-	229,087
Reportable segment profit/(loss) (adjusted EBITDA)	81,054	22,368	(75,615)	(14)	27,793
Primary geographical markets					
PRC	167,901	55,837	5,349	-	229,087
Timing of revenue recognition					
At a point in time	-	-	1,339	-	1,339
Transferred over time	167,901	55,837	4,010	-	227,748
	167,901	55,837	5,349	-	229,087
As at 30 June 2024					
Reportable segment assets	2,856,428	513,334	154,441	1,023	3,525,226
Reportable segment liabilities	1,418,136	182,500	238,185	362	1,839,183

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information *(continued)*

(i) Business segments *(continued)*

	Six months ended 30 June 2023				
	Solar power plants RMB'000 (Unaudited)	Financial Services RMB'000 (Unaudited)	Health management services RMB'000 (Unaudited)	Trading of LNG RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	204,138	28,520	-	-	232,658
Inter-segment revenue	-	-	-	-	-
Reportable segment revenue	204,138	28,520	-	-	232,658
Reportable segment profit/(loss) (adjusted EBITDA)	90,525	9,626	-	(21)	100,130
Primary geographical markets PRC	204,138	28,520	-	-	232,658
Timing of revenue recognition					
At a point in time	-	-	-	-	-
Transferred over time	204,138	28,520	-	-	232,658
	204,138	28,520	-	-	232,658
As at 31 December 2023					
Reportable segment assets	2,898,882	692,797	108,897	1,262	3,701,838
Reportable segment liabilities	1,725,994	11,480	119,829	432	1,857,735

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information *(continued)*

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	229,087	232,658
Elimination of inter-segment revenue	–	–
Consolidated revenue	229,087	232,658
Profit		
Reportable segment profit	27,793	100,130
Other (losses)/gains, net	(9,475)	14,652
Depreciation and amortisation	(52,193)	(63,417)
Loss on disposal of subsidiaries, net	(3,307)	–
Impairment loss on a disposal group classified as held for sale	(1,443)	–
Impairment loss on trade and other receivables, net	(20,543)	(7,390)
Impairment loss on interest in a joint venture	(6,842)	–
Share of (loss)/profit of joint venture	(27,232)	5,827
Share of profit of associates	735	41,530
Finance costs	(51,466)	(79,991)
Unallocated corporate expenses (note (a))	(34,045)	(3,426)
Consolidated (loss)/profit before income tax	(178,018)	2,088

3. REVENUE AND SEGMENT INFORMATION *(continued)*

B. Segment information *(continued)*

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

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Assets		
Reportable segment assets	3,525,226	3,701,838
Interests in associates	225,722	218,533
Interest in joint ventures	175,674	209,748
Financial assets measured at fair value through other comprehensive income	575,333	595,942
Deferred tax assets	19,593	12,164
Unallocated corporate assets <i>(note (b))</i>	838,453	984,280
Consolidated total assets	5,360,001	5,722,505
Liabilities		
Reportable segment liabilities	1,839,183	1,857,735
Corporate bonds	16,609	16,328
Loans and borrowings	249,750	279,750
Lease liabilities	65,402	87,711
Unallocated corporate liabilities <i>(note (c))</i>	433,599	550,943
Consolidated total liabilities	2,604,543	2,792,467



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 (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2024	2023
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest income	6,788	6,700
Net foreign exchange gain	1,903	7,952
Solar power plant rectification expenses	(10,932)	(1,039)
Dividend income	–	20,250
Properties rental income	–	5,910
Others	(446)	2,142
	(2,687)	41,915

5. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest on loans and borrowings	51,465	75,420
Imputed interest on corporate bonds (note 19)	367	341
Interest on lease liabilities	6,207	4,230
	58,039	79,991

6. (LOSS)/PROFIT BEFORE INCOME TAX

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

A. Employee benefit expenses (including directors' emoluments)

	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Salaries, wages and other benefits	104,383	89,599
Contributions to defined contribution retirement plan	14,831	12,208
	119,214	101,807

B. Other items

	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Amortization of right-of-use assets	14,785	10,838
Auditor's remuneration	289	810
Depreciation		
— Property, plant and equipment	2,069	1,115
— Solar power plants	35,339	51,464
Operating lease expenses in respect of short-term leases	715	613

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	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
— PRC corporate income tax	5,948	6,477
Deferred tax	(1,302)	(209)
	4,646	6,268

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 2024 and 2023.

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 2024 is based on loss attributable to owners of the Company for the period of approximately RMB163,727,000 (six months ended 30 June 2023: RMB5,209,000) and on the weighted average number of approximately 14,964,442,000 (six months ended 30 June 2023: 14,964,442,000) ordinary Shares in issue during the period.

Diluted loss per share for the six months ended 30 June 2024 and 2023 was the same as basic loss per share because there was no potentially dilutive ordinary Shares in issue.

9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2024 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 2023: Nil).

10. SOLAR POWER PLANTS

During the six months ended 30 June 2024, the Group increased its investments in solar power plants of approximately RMB64,000 (six months ended 30 June 2023: RMB1,335,000).

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 2024, certain solar power plants with carrying amount of approximately RMB725,476,000 (31 December 2023: RMB382,345,000) 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 2024 and 31 December 2023 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 2023: 37.6%)	Finance leases and factoring businesses
陝西億潤新能源科技有限公司 (Shaanxi Yirun New Energy Technology Co., Ltd.*)	PRC	40% (31 December 2023: 100%)	Provision of solar power plant operation and maintenance services
蘇州中能鼎立科技有限公司 (Suzhou Zhongneng Dingli Technology Co., Ltd.*)	PRC	10% (31 December 2023: 10%)	LNG trading platform development and business in relation to LNG management
東台瀾晶光伏有限公司 (Dongtai Lanjing Photovoltaic Co., Ltd.*)	PRC	36.79% (31 December 2023: 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 2023: 40%)	Consulting service
北京江山明輝新能源有限公司 (Beijing Kong Sun Minghui New Energy Limited*)	PRC	15% (31 December 2023: 15%)	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. INTEREST IN JOINT VENTURES

Particulars of the joint venture as at 30 June 2024 and 31 December 2023 are as follows:

Name of joint venture	Form of business structure	Country of incorporation and principal place of operation	Percentage of ownership interest	Principal activity
北京紅楓新能源合夥企業 (有限合夥)(Beijing Hongfeng New Energy Partnership (Limited Partnership*)) ("Beijing Hongfeng")	Incorporated	PRC	90.09% (31 December 2023: 90.09%)	Investment holding
北京清椽養老產業科技 有限公司 (Beijing Qingmeng Endowment Investment Management Limited*)	Incorporated	PRC	2.4% (31 December 2023: 2.4%)	Investment management
新疆江山永恆新能源管理有限 責任公司 (Xinjiang Kong Sun Yongheng New Energy Management Co, Ltd.*)	Incorporated	PRC	49% (31 December 2023: 49%)	Energy management contract
北京百數康科技有限公司 (Beijing Baishukang Technology Limited*)	Incorporated	PRC	65% (31 December 2023: 65%)	Technical services

The arrangement of the above investments provided the Group has joint control with other joint venture partners in accordance with relevant contractual agreement in which decisions about the relevant activities require the unanimous consent of the parties sharing control. Under HKFRS 11, these joint arrangements are classified as joint ventures and had been accounted for in the condensed consolidated financial statements using equity method.

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

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Financial assets measured at fair value through other comprehensive income		
Unlisted partnership investments (note (a))	302,463	303,156
Unlisted equity investments (note (b))	272,870	292,786
	575,333	595,942

Notes:

- (a) As at 30 June 2024 and 31 December 2023, the Group's unlisted partnership investments included the followings:
- (i) 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 2024, the Group's actual capital contribution paid in Taizhou Jiuan Limited Partnership was approximately RMB300,000,000 (31 December 2023: RMB300,000,000).

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

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

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

Notes: (continued)

(a) *(continued)*

- (ii) 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 Xinheyoumei 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 2024, the fair value of the Group’s actual capital contribution paid in Huoerguosi Limited Partnership was approximately RMB2,463,000 (31 December 2023: RMB3,156,000).

(b) As at 30 June 2024 and 31 December 2023, included in the Group’s unlisted equity investments, included the followings:

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

The total consideration of the Subscription A and Subscription B was approximately RMB191,174,000. During the year ended 31 December 2018, the Group received bonus issue of 8,875,316 shares of Hohhot Jingu Bank. As at 30 June 2024 and 31 December 2023, 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.

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

Notes: (continued)

(b) *(continued)*

(i) *(continued)*

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 2024, a fair value loss of approximately RMB10,556,000 (six months ended 30 June 2023: RMB6,631,000) was recognised in other comprehensive income. The fair value of the unlisted equity investment of Hohhot Jingu Bank as at 30 June 2024 of approximately RMB152,687,000 (31 December 2023: RMB163,243,000) was determined with reference to the valuation report prepared by an independent professional qualified valuer.

(ii) 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 Bank of Jinzhou Co., Ltd ("Jinzhou Bank"), a bank based in the PRC, at the price of RMB7.9161 per domestic share. The total consideration of the acquisition of the shares of Jinzhou Bank was approximately RMB850,981,000. Details of the acquisitions are set out in the Company's announcements dated 30 March 2017 and 31 March 2017, respectively.

The H-shares of Jinzhou Bank, was delisted from the Stock Exchange on 15 April 2024. As at 30 June 2024, the unlisted equity investment, at fair value, represents approximately 1.03% of the total number of shares of Jinzhou Bank. As at 31 December 2023, the unlisted equity investment, at fair value, represents approximately 1.03% and 0.77% of the total number of domestic shares and the total number of shares (including domestic shares and H-shares) of Jinzhou Bank, respectively.

For the six months ended 30 June 2024, a fair value loss of approximately RMB9,360,000 (six months ended 30 June 2023: RMB11,585,000) was recognised in other comprehensive income. The fair value of the unlisted equity investment of Jinzhou Bank as at 30 June 2024 of approximately RMB120,183,000 (31 December 2023: RMB129,543,000) 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 2024, the unlisted equity investments measured at fair value with the carrying amount of approximately RMB120,183,000 (31 December 2023: RMB129,543,000) were pledged as securities for the Group's loans and borrowings (note 18).

14. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Trade receivables	1,023,915	1,208,569
Impairment provision for trade receivables	(77,329)	(67,701)
Trade receivables, net (<i>note (ii)</i>)	946,586	1,140,860
Other receivables, prepayments and deposits	1,127,536	1,052,702
Impairment provision for other receivables	(267,684)	(267,684)
Other receivables, prepayments and deposits, net	859,852	785,018
	1,806,438	1,925,878
Less: Amount shown under non-current assets		
Loan receivables, net	(271,804)	(185,863)
Receivable from health management services, net	(2,600)	(5,977)
	(274,404)	(191,840)
Amount shown under current assets	1,532,034	1,734,038

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

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Less than 3 months	76,660	651,750
Over 3 months but less than 6 months	80,724	29,793
Over 6 months but less than 12 months	98,756	50,420
Over 12 months but less than 24 months	255,478	112,152
Over 24 months	434,968	296,745
	946,586	1,140,860

14. TRADE AND OTHER RECEIVABLES (continued)

Movements in provision for impairment of trade and other receivables for the six months ended 30 June 2024 are as follows:

	Trade receivables RMB'000 (Unaudited)	Other receivables RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
At 1 January 2024	67,709	267,684	335,393
Impairment provision during the period	20,543	—	20,543
Write-off	(9,596)	—	(9,596)
Disposal of subsidiaries	(1,327)	—	(1,327)
At 30 June 2024	77,329	267,684	345,013

Notes:

- (i) The Group's trade receivables are mainly receivables from sales of electricity. Generally, the receivables are due within 30 to 180 days (31 December 2023: 30 to 180 days) as at 30 June 2024 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 2024, the outstanding renewable energy subsidies amounted to approximately RMB486,531,000 (31 December 2023: RMB445,967,000).

- (ii) As at 30 June 2024, certain trade receivables arising from the sales of electricity amounting to approximately RMB394,530,000 (31 December 2023: RMB300,336,000) 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 RMB67,219,000 as at 30 June 2024 (31 December 2023: RMB244,839,000) 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 GROUPS CLASSIFIED AS HELD FOR SALE

As at 30 June 2024 and 31 December 2023, assets and liabilities relating to 黃石黃源光伏電力開發有限公司 (Huangshi Huangyuan Photovoltaic Power Development Limited*) (“Huangshi Huangyuan”), 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electricity Limited*) (“Dingbian Jingyang”), 定邊縣萬和順新能源發電有限公司 (Dingbian Wanheshun New Energy Power Generation Limited*) (“Dingbian Wanheshun”) and 榆林正信電力有限公司 (Yulin Zhengxin Electricity Limited*) (“Yulin Zhengxin”), were presented as disposal group held for sale following the sale and purchase agreements dated 11 August 2023 entered into between the Group and the purchasers, who are independent third parties. The principal activities of these subsidiaries were generation and sales of electricity. Disposal of these subsidiaries have not been completed as at 30 June 2024 and 31 December 2023.

Management assessed that each of entities within the disposal groups are available for immediate sale in its present condition and the disposals are expected to be highly probable and would be completed within twelve months after the end of the reporting period. The disposal of Huangshi Huangyuan, Dingbian Jingyang, Dingbian Wanheshun and Yulin Zhengxin were approved by the shareholders in an extraordinary general meeting held on 20 September 2023.

In accordance with HKFRS 5, assets and liabilities relating to these subsidiaries were disposal groups classified as held for sale in the condensed consolidated statement of financial position as at 30 June 2024 and the consolidated statement of financial position as at 31 December 2023. The disposal did not constitute a discontinued operation as it did not represent a major line of business or geographical area of operation.

The Directors regard the sale proceeds less directly attributable costs which amounted to approximately RMB350,179,000 (31 December 2023: RMB350,179,000) as the fair value less cost of disposal for the disposal of these subsidiaries.

16. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

(continued)

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Property, plant and equipment	256	407
Solar power plants	622,524	637,002
Goodwill	547	547
Right-of-use assets	26,528	28,656
Inventories	195	195
Trade and other receivables	640,257	644,589
Amounts due from group companies	286,259	217,781
Cash and cash equivalents	2,087	2,677
	1,578,653	1,531,854
Less: Amounts due from group companies	(286,259)	(217,781)
Impairment loss on disposal group classified as held for sale	(1,443)	(61,444)
Total assets classified as held for sale	1,290,951	1,252,629
Trade and other payables	(61,394)	(56,399)
Dividend payables	(129,072)	(129,072)
Amounts due to group companies	(770,005)	(730,688)
Loans and borrowings	(207,721)	(206,356)
Tax payable	(2,579)	(825)
Lease liabilities	(5,794)	(6,102)
	(1,176,565)	(1,129,442)
Less: Amounts due to group companies	770,005	730,688
Less: Dividend payables	129,072	129,072
Total liabilities classified as held for sale	(277,488)	(269,682)

17. TRADE AND OTHER PAYABLES

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Trade payables	36,745	24,475
Other payables and accruals	590,252	643,922
	626,997	668,397

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

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Current or less than 3 months	5,435	11,657
Over 3 months but less than 6 months	2,244	72
Over 6 months but less than 12 months	4,612	28
Over 12 months	24,454	12,718
	36,745	24,475

18. LOANS AND BORROWINGS

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Current		
Secured		
— bank loans	670,561	28,000
— other borrowings	342,791	998,803
	1,013,352	1,026,803
Non-current		
Secured		
— bank loans	104,490	196,970
— other borrowings	414,421	435,443
	518,911	632,413
Total loans and borrowings	1,532,263	1,659,216

18. LOANS AND BORROWINGS (continued)

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

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Within 1 year	1,013,352	1,026,803
After 1 year but within 2 years	163,999	87,681
After 2 years but within 5 years	121,115	287,917
After 5 years	233,797	256,815
	1,532,263	1,659,216

Loans and other borrowings bear interest ranging from 3.85% to 8.40% (31 December 2023: 3.45% to 8.56%) per annum.

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

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Fixed-rate borrowings	1,075,050	1,172,530
Floating-rate borrowings	457,213	486,686
	1,532,263	1,659,216

18. LOANS AND BORROWINGS (continued)

The loans and borrowings were secured by the following assets:

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Solar power plants (note 10)	725,476	382,345
Trade receivables (note 14)	394,530	300,336
Financial assets measured at fair value through other comprehensive income (note 13)	120,183	129,543
	1,240,189	812,224

As at 30 June 2024 and 31 December 2023, loans and borrowings that are secured by the equity interests of certain subsidiaries of the Company are summarised as follows:

other borrowings of approximately RMB679,810,000 (31 December 2023: RMB679,810,000) were secured by 99.96% equity interests of 常熟宏略光伏電站開發有限公司 (Changshu Honglu Photovoltaic Power Plants Development Co., Ltd.*) and its subsidiaries including 六安旭強新能源工程有限公司 (Luan Xuqiang New Energy Engineering Limited*) and 定邊縣晶陽電力有限公司 (Dingbian Jingyang Electric Limited*).



19. CORPORATE BONDS

As at 30 June 2024, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$19,000,000 (equivalent to approximately RMB17,341,000) (31 December 2023: HK\$19,000,000 (equivalent to approximately RMB17,218,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 6% (31 December 2023: 3% to 6%) per annum, and will mature on the date immediately following 36 to 96 months (31 December 2023: 36 to 96 months) after their issuance.

During the six months ended 30 June 2024 and 2023, the Group did not issue any corporate bonds.

During the six months ended 30 June 2024 and 2023, the Group did not repay any corporate bonds.

The corporate bonds are measured at amortised cost using effective interest method by applying an effective interest rate at 10.40% (six months ended 30 June 2023: 10.40%) per annum. Imputed interest of approximately HK\$403,000 (equivalent to approximately RMB367,000) (six months ended 30 June 2023: HK\$385,000 (equivalent to approximately RMB341,000)) (note 5) in respect of the corporate bonds was recognised in profit or loss during the six months ended 30 June 2024.

As at 30 June 2024, corporate bonds amounting to approximately HK\$10,000,000 (equivalent to approximately RMB9,127,000) (31 December 2023: HK\$10,000,000 (equivalent to approximately RMB9,062,000)) and approximately HK\$8,196,000 (equivalent to approximately RMB7,482,000) (31 December 2023: HK\$8,018,000 (equivalent to approximately RMB7,266,000)) were classified as current liabilities and non-current liabilities, respectively.

20. SHARE CAPITAL

	Number of Shares '000	RMB'000
Issued and fully paid:		
At 1 January 2023, 30 June 2023, 31 December 2023, 1 January 2024 and 30 June 2024	14,964,442	6,486,588

21. DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2024, the Group completed the disposal of 60% interests in the following subsidiaries at a cash consideration of RMB4,200,000. The subsidiaries are set out below:

Name of entities	Disposal date
Shaanxi Yirun New Energy Technology Co., Ltd.	17 April 2024
Beijing Xintai Green Energy Technology Co., Ltd.	17 April 2024

Note:

- (i) These entities are principally engaged in the provision of solar power plant operation and maintenance services.

21. DISPOSAL OF SUBSIDIARIES (continued)

During the six months ended 30 June 2024, 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	2,465
Trade and other receivables	77,323
Cash and cash equivalents	6,857
Other payables and accruals	(74,133)
	12,512
Interest in an associate	(5,005)
Net losses on disposal of subsidiaries	(3,307)
Total consideration	4,200
An analysis of net outflow of cash and cash equivalent in respect of disposals of these subsidiaries are as follows:	
Net cash outflow arising from disposal of subsidiaries:	
Total consideration	4,200
Cash and cash equivalents disposed of	(6,857)
	(2,657)

22. CAPITAL COMMITMENTS

At 30 June 2024, the Group had outstanding capital commitments as follows:

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Contracted but not provided for in respect of — the construction costs and service expense for solar power plants under construction	16,188	16,188

Note: As at 30 June 2024, certain outstanding capital commitments in respect of construction costs and service expense for solar power plants under development amounting to approximately RMB10,307,000 (31 December 2023: RMB10,307,000) are attributable to a subsidiary classified as held for sale.

23. MATERIAL RELATED PARTY TRANSACTION

During the six months ended 30 June 2024, the Group entered into the following transactions with a related party:

(a) Loans to an associate

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Loan to an associate, net		
Non-current	124,892	124,892
Current	5,670	606
	130,562	125,498

The Group entered into a loan agreement with Kong Sun Baoyuan on 1 November 2022 for a period of 3 years. The loan is secured and interest-bearing, at an interest rate of 9.0% per annum. The loan interest income was RMB5,670,000 (six months ended 30 June 2023: RMB5,655,000) during the six months ended 30 June 2024.

(b) Loans from an associate

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Loan from an associate, net		
Current	26,100	26,100

Beijing Eagle Eye group entered into a loan agreement with a wholly-owned subsidiary of Kong Sun Baoyuan on 23 September 2023 for a period of one year. The loan is secured by certain trade receivables of the Group and interest-bearing, at an interest rate of 6.0% per annum. This loan was reclassified as loans from an associate after the acquisition of Beijing Eagle Eye completed on 29 December 2023.

Save as disclosed above, during the six months ended 30 June 2024 and 2023, the Group had no other 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.

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

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2024				
Financial assets measured at fair value through other comprehensive income	–	–	575,333	575,333
As at 31 December 2023				
Financial assets measured at fair value through other comprehensive income	–	–	595,942	595,942

24. FAIR VALUE MEASUREMENT *(continued)*

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 application of the market approach technique known as guideline publicly-traded comparable method which utilizes the price-to-book ratios of similar and comparable commercial banks publicly traded in the PRC to arrive at an indication of value, then adjusted for the lack of marketability discount as at 30 June 2024.

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 application of the market approach technique known as guideline publicly-traded comparable method which utilizes the price-to-book ratios of similar and comparable commercial banks publicly traded in Hong Kong to arrive at an indication of value, then adjusted for the lack of marketability discount as at 30 June 2024.

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 2024.

Significant unobservable inputs

Hohhot Jingu Bank

Discount for lack of marketability	20.5% (31 December 2023: 20.5%)
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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 RMB9,603,000 (31 December 2023: RMB10,267,000).

There is no change in valuation techniques during the period.

Jinzhou Bank

Discount for lack of marketability	20.5% (31 December 2023: 20.5%)
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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 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 RMB7,559,000 (31 December 2023: RMB8,147,000).

24. FAIR VALUE MEASUREMENT *(continued)*

	RMB'000 (Unaudited)
At 1 January 2024	595,942
Fair value changes recognised in other comprehensive income during the period	(20,609)
At 30 June 2024	575,333

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 2024.

25. EVENTS AFTER REPORTING DATE

On 15 August 2024, 深圳市江天永健科技有限公司 (Shenzhen Jiangtian Yongjian Technology Company Limited*) (a wholly-owned subsidiary of the Company) (the "Purchaser"), QUBOT Holdings Limited (the "Vendor") and 北京思博慧醫科技有限公司 (the "Target Company"), among others, entered into an agreement, pursuant to which (i) the Purchaser conditionally agreed to subscribe for equity interest in the Target Company representing 20% of the total equity interest of the Target Company immediately after this subscription for a subscription price of RMB36,000,000 (the "Subscription"); and (ii) the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the sale interest representing 10% of the total equity interest of the Target Company immediately after the Subscription for a total consideration of RMB14,000,000 (the "Acquisition"), such that upon completion of the Subscription and the Acquisition, the Purchaser will be interested in 30% equity interest in the Target Company. The Target Company will not become a subsidiary of the Company as a result of the Subscription and the Acquisition and its financial results will not be consolidated in the financial statements of the Group. For details, please refer to the Company's announcement on 15 August 2024.

Save as disclosed above, there are no other material events affecting the Group which have occurred after 30 June 2024 and up to the date of this interim report.